



Australian Government
Anti-Dumping Commission

Exporter Questionnaire

Product: Certain Crystalline Silicon Photovoltaic Modules or Panels

From: The People's Republic of China

Period of Investigation: 1 July 2012 to 31 December 2013

Response due by: 20 June 2014

Investigation case manager: Sanjay Sharma

Phone: +61 2 6275 8008

Fax: 1300 882 506

E-mail: operations3@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

Return completed questionnaire to: **Anti-Dumping Commission**
Level 5, Customs House
5 Constitution Avenue
Canberra ACT 2601
Australia

Attention: Director Operations 3

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: **Jiangsu Seraphim Solar System Co., Ltd**

Name: **Xi Juntao**

Position in the company: **Executive General Manager**

Address: **Linnan, Henglin Zhen, Wujin District, Changzhou, China**

Telephone: **+86 519 88776028**

Facsimile number: **+86 519 88786181**

E-mail address of contact person: **justin.xi@seraphim-energy.com**

Factory: **Jiangsu Seraphim Solar System Co., Ltd**

Address: **Linnan, Henglin Zhen, Wujin District Changzhou, China**

Telephone: **+86 519 88776028**

Facsimile number: **+86 519 88786181**

E-mail address of contact person: **justin.xi@seraphim-energy.com**

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: **Ren Yongzhong**

Address: **Beijing DeHeng Law Offices, 12 Floor, Tower B, Focus Place, 19 Financial Street, Beijing, China**

Telephone: **010-52682709**

Facsimile/Telex number:

E-mail address of contact person: **renyz@dehenglaw.com**

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

A-3 Company information

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

[Answer]

PUBLIC RECORD

3

Jiangsu Seraphim Solar System Co., Ltd is a limited liability company. There is no other name used in its operation.

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]

No.	Name of Shareholders	Shareholding Percentages
1		
2		
3		
4		

[Confidential information concerning the shareholders and percentage of shareholdings of Seraphim]

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

[Answer]

Not applicable since Seraphim has no parent company.

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

[Answer]

Not applicable since Seraphim has no parent company.

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

[Answer]

Not applicable since Seraphim has no associated or affiliated companies.

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

[Answer]

Not applicable since Seraphim has no parent company.

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

[Answer]

Seraphim is a producer, and also sells the goods in the domestic market and export to foreign markets like Australia.

PUBLIC RECORD

4

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]

Seraphim produces and sells the goods under consideration in domestic market and exported the goods to Australia.

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

[Answer]

Please refer to Appendix A-3.9 Company's Internal Organization Chart [Confidential].

Sales and Marketing department is responsible for collecting the information of market and customer, developing market, promoting and selling the product.

Technology department's responsibility is developing technical manual, testing and application of new technology and new equipment.

Department of personnel administration is responsible for recruiting and training employees, managing the turnover of employees.

Purchasing department is responsible for purchasing raw materials that production required.

Production department is responsible for organization, coordination and control of production.

Financial department's responsibility is preparing financial statement, maintaining and keeping all financial records involving production and operation of the company.

Quality department is responsible for the products meeting the requirements of the quality.

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

[Answer]

Please refer to Appendix A-3.10 Company's Profile [Confidential] and Product Catalogue and A-4.3 Audited Financial Statements [Confidential].

A-4 General accounting/administration information

1. Indicate your accounting period.

PUBLIC RECORD

5

[Answer]

The accounting period is from January 1 to December 31.

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

[Answer]

The financial records are held at the company's address.

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;

[Answer]

Please refer to Appendix A-4.3 Chart of Accounts [Confidential].

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

[Answer]

Please refer to Appendix A-4.3 Audited Financial Statements [Confidential].

- 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]

There are no internal financial statements and income statements.

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

[Answer]

Not applicable since Seraphim's annual financial reports are audited by independent account firm.

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

[Answer]

There's no difference between the accounting practices of Seraphim and the generally accepted accounting principles in China.

6. Describe:

PUBLIC RECORD

6

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]

The weighted average method is used for the valuation for raw material, work-in-process, and finished goods inventories.

- costing methods, including the method (eg by watts, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

[Answer]

Seraphim allocates and accounts costs by watts.

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

[Answer]

Damaged or sub-standard goods are valued according to the current price in the market.

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

[Answer]

Scrap is valued according to the current price in the market. There is no by products, or joint products.

- valuation and revaluation methods for fixed assets;

[Answer]

Fixed assets are valued at historical cost.

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

[Answer]

Depreciation of fixed assets is computed using the straight-line method.

Category	Average Useful Life (year)	Depreciation Rate (%)
Machinery equipment	10	9.5
Electronic equipment	5	19
Other equipment	5	19
Transport equipment	4	23.75

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

PUBLIC RECORD

7

[Answer]

Foreign exchange gains and losses arising from transactions are included in finance costs.

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

[Answer]

Not applicable since Seraphim has no need to translate the balance sheet.

- inclusion of general expenses and/or interest;

[Answer]

General expenses include business entertainment expenses, welfare funds, travel expenses and other management fees. Interests include interest on loans and interest on deposits.

- provisions for bad or doubtful debts;

[Answer]

There are no provisions for bad or doubtful debts in Seraphim.

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

[Answer]

There are no idle equipment or plant shut-downs in Seraphim during the investigation period and present.

- costs of plant closure;

[Answer]

Seraphim never close a plant during the investigation period.

- restructuring costs;

[Answer]

There are no restructuring costs happened during the investigation period.

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

[Answer]

There are no by-products of Seraphim. Scrap materials resulting from Seraphim's production process are valued at the marketable price.

- effects of inflation on financial statement information.

[Answer]

There are no effects of inflation on financial statement information.

PUBLIC RECORD

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

[Answer]

There have been no material changes to accounting policies in 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 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.

	Most recent completed financial year (specify)		Investigation period	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12=13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				

PUBLIC RECORD

Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

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

Prepare this information on a 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 company's structure, the allocations would not be helpful in this process, please explain why this is the case.

[Answer]

Please refer to the Appendix A-5 Income Statement [Confidential].

A-6 Sales

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, in the following format:

	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "TURNOVER".

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

PUBLIC RECORD

10

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

[Answer]

Please refer to the Appendix 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.

*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.*

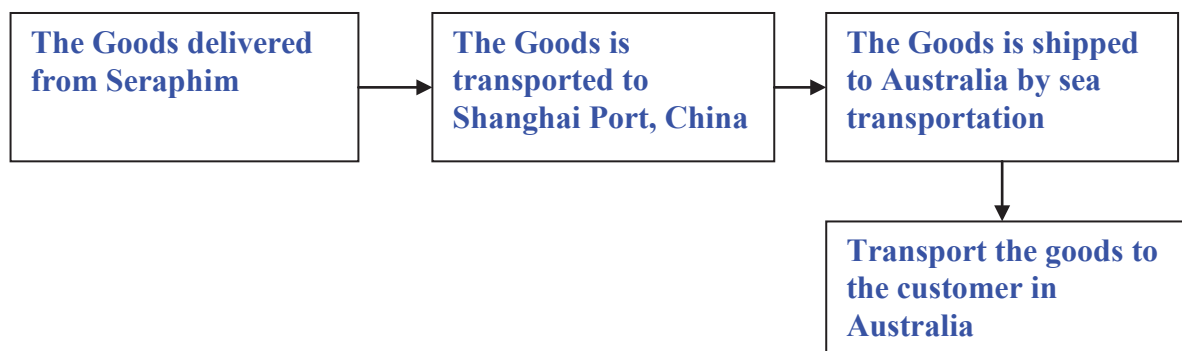
B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

[Confidential information concerning the Australian customers]

B-2 For each customer identified in B1 please provide the following information.
 (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

[Answer]

After signing the contract, the production department produces the product according to the requirement of customer. Then planning department arranges the inland and sea transportation. After the product arriving at Australian ports, the customers are responsible for transporting the goods to the company by hiring a transportation company or by themselves.



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

[Answer]

Seraphim is responsible for arranging the inland transportation, sea transportation and the payment of transportation and marine insurance expenses. Inland Freight

PUBLIC RECORD

12

Company is responsible for transportation of the goods from Seraphim to the Shanghai port, China. Sea Transportation Company is responsible for transporting the goods from China to Australian port. After the goods arriving at Australian ports, the customers are responsible for transporting the goods to the company by hiring a transportation company or by themselves. There are no commissions accrued during the transaction process.

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

[Answer]

Seraphim retains the ownership of the goods during the transportation from factory to port and during the period of waiting for shipment in port. The buyer retains the ownership of the goods after shipment.

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

[Answer]

Seraphim has no agency or distributor agreements in Australia.

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

[Answer]

Upon the customer's inquiry, [Confidential information concerning the price decision]. Once the terms are mutually agreed, Seraphim will sign the sales contract with the customer. After the contract is signed, Seraphim will arrange production and transportation. Then the payment for goods will be paid according to the contract by Australian customer. After receiving the payment, Seraphim hand over the bill of lading, invoice to the customer for customs clearance.

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

[Answer]

Seraphim is not related to any of its Australian customers.

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

[Answer]

There are no other forward orders under consideration.

PUBLIC RECORD

13

- 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]

Not applicable since all the customers in Australia are distributor.

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

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	Mono or Poly Crystalline and whether AC or DC PV modules or panels
Product code	code used in your records for the Mono or Poly crystalline and AC or DC PV modules or panels identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg Number of units.
Power output	Power output in watts (e.g 250W)
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.
Rebates	If applicable, te amount of any deferred rebates or allowances paid to the importer in the currency of sale.
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.

PUBLIC RECORD

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 costs*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

** FOB export price and Ocean Freight:

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

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

Freight allocations must be checked for consistency.

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

[Answer]

Please refer to the Appendix B-4 Australian Sales [Confidential].

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

[Answer]

There are no other costs, charges or expenses incurred in respect of the exports listed in the spreadsheet “Australian Sales” which has not been identified.

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.

PUBLIC RECORD

15

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]

Not applicable since there is no discount, rebate, allowance occurred.

- 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]

Not applicable since Seraphim did not issue any credit notes in the respect of Australian export.

- 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]

Not applicable since Seraphim is not responsible for any expense mentioned in 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 verification at the time of the visit.

[Answer]

Please refer to Appendix B-9 Documents of Sales to Australia [Confidential].

SECTION C - EXPORTED GOODS & LIKE GOODS

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

[Answer]

Seraphim exported PV module to Australia during the investigation period. Specification details and any technical and illustrative material, please refer to Appendix C-3 Exported Goods & Like Goods [Confidential] and Appendix A-3.10 Company's Profile and Product Catalogue [Confidential].

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

[Answer]

Please refer to Appendix C-3 Exported Goods & Like Goods [Confidential].

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

EXPORTED TYPE	DOMESTIC TYPE	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

[Answer]

Please refer to Appendix C-3 Exported Goods & Like Goods [Confidential].

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

[Answer]

Please refer to Appendix C-3 Exported Goods & Like Goods [Confidential] and Appendix A-3.10 Company's Profile and Product Catalogue [Confidential].

SECTION D - DOMESTIC SALES

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

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

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

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

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

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

[Answer]

The domestic customers of Seraphim [**Confidential information concerning distribution channel**]. Once the terms are mutually agreed, Seraphim will sign the sales contract with the customer. Then Seraphim will arrange production and transportation after the customer fulfilling the relevant provisions of the contract. Some of the customers pick up the goods by themselves.

If the customers pick up the goods by themselves, Seraphim retains the ownership of and responsible for losing or damaging of the goods before loading. If Seraphim is responsible for transportation, Seraphim retains the ownership of and responsible for the losing or damaging of the goods before handing over the goods to the customer.

Seraphim has no agency or distributor in the domestic market.

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

[Answer]

PUBLIC RECORD

18

Not applicable since there are no customers are associated with Seraphim.

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

[Answer]

There is no price difference due to disparity of distribution channels.

- D-3** Explain in detail the sales process, including:
- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
 - whether price includes the cost of delivery to customer.

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

[Answer]

Upon the customer's inquiry, [Confidential information concerning the price decision process]. Once the terms are mutually agreed, Seraphim will sign the sales contract with the customer. Then Seraphim will arrange production and transportation after the customer fulfilling the relevant provisions of the contract. After delivering the goods, Seraphim issue the invoice and the customer will proceed with payment after receiving the invoice. Some of the customers pick up the goods by themselves.

If the customers pick up the goods by themselves, Seraphim retains the ownership of and responsible for losing or damaging of the goods before loading. If Seraphim is responsible for the transportation, Seraphim retains the ownership of and responsible for losing or damaging of the goods before handing over the goods to the customer. In such cases, the price includes the cost of delivery to customer.

Seraphim has no price lists.

- D-4** Prepare a spreadsheet named “**domestic sales**” listing **all** sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model whether Mono or Poly crystalline and whether AC or DC PV modules or panels
Product code	code used in your records for the model for Mono or Poly crystalline and AC or DC PV modules or panels of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have

PUBLIC RECORD

	shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice.
Power output	Power output in watts
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

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

[Answer]

Please refer to the Appendix D-4 Domestic Sales for your reference [Confidential].

- D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

[Answer]

There are no other costs, charges or expenses incurred in respect of the sales listed.

- D-6** For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:
- provide a description; and
 - explain the terms and conditions that must be met by the customer to qualify for payment.

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

PUBLIC RECORD

20

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

[Answer]

There are no discount, rebate, allowance offered on domestic sales. No credit notes were issued directly or indirectly to the customers.

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

[Answer]

Please refer to Appendix D-7 Document of Domestic Sales [Confidential].

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

[Answer]

Inland transportation costs are provided on the basis of actual amount. This expense is located in the general ledger account of operating expenses.

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.

[Answer]

Handling, loading and ancillary expenses are provided on the basis of actual amount. This expense is located in the general ledger account of operating expenses.

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 investigation period. Explain the nature of the interest rates most applicable to these export sales eg, 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.

[Answer]

Not applicable since export prices are not influenced by this longer or shorter period.

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**'.

[Answer]

Not applicable since there is no difference on packing costs of product regardless of specific market.

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.

[Answer]

Not applicable since there is no commissions occurred in the export sale.

6. Warranties, guarantees, and after sales services

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

[Answer]

Not applicable since there is no warranties, guarantee and after sales service.

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.

[Answer]

Not applicable since there is no other factor affecting fair comparison.

8. Currency conversions

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

[Answer]

Not applicable since there is no sustained movement during the period of investigation for exchange rate.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, "domestic sales")

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

[Answer]

The exported product [Confidential information concerning the specific type and export volume of the product].

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

[Answer]

The rebate rate of export tax to Australia is 17%. The value-added tax rate of domestic sales of goods is 17%. So there is no need to adjust.

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

[Answer]

Despite difference of the level of trade to domestic customer and Australian customer, it does not affect the product pricing. We negotiated the price transaction by transaction. The price of the products based on the product cost and a certain profit. So we do not claim adjustment on level of trade.

4. Credit

PUBLIC RECORD

27

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

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

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system¹, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

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

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

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

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

2. *Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

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

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

[Answer]

Not applicable since domestic prices are not influenced by this longer or shorter period. So we do not claim adjustment on credit.

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

5. Transportation

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

[Answer]

Inland transportation costs are provided on the basis of actual amount. This expense is located in the general ledger account of operating expenses.

6. Handling, loading and ancillary expenses

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

[Answer]

Handling, loading and ancillary expenses in the domestic price are included in the inland transportation costs. Inland transportation costs are provided on the basis of actual amount. This expense is located in the general ledger account of operating expenses.

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

[Answer]

Packing costs is same for the same products at home and abroad, so we do not claim adjustment on packing.

8. Commissions

For any commissions paid in relation to the domestic sales:

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

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

[Answer]

No commission exists in the sale of Seraphim.

9. **Warranties, guarantees, and after sales services**

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

[Answer]

Not applicable since there is no warranties, guarantee and after sales service.

10. **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**”. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

[Answer]

Not applicable since there is no other factor affecting fair comparison.

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.

[Answer]

No such duplication exists in all the items of the adjustment.

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.

Column heading	Explanation
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 Number of units or watts)
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.

Supply this information in spreadsheet file named "Third country"

[Answer]

Please refer to the Appendix F-1 Third Country Sales for your reference **[Confidential]**.

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

[Answer]

There is no difference in sales to third countries that may affect the comparison.

SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

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

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

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

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

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

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

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

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

G-1. Production process and capacity

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

[Answer]

Please refer to Appendix G-1.1 Flowchart of the Production Process [Confidential]. The scrap resulted from production are a few waste silica gel and scaling powder. There are no by-products.

G-2. Provide information about your company's total production in the following table:

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Investigation Period
A – Production capacity (eg no. of units (and/or watts))*			
B – Actual production in volume (eg no. of units (and/or watts))			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "Production".

[Answer]

Please refer to the Appendix G-2 Production for your reference [Confidential].

G-3. Cost accounting practices

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

[Answer]

The accounting system used is [Name of the ERP system]. The actual cost is used in the cost accounting system. All Seraphim's accounting practices are in accordance with the generally accepted accounting principles in China.

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

[Answer]

Seraphim does not use standard cost accounting system.

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

[Answer]

Not applicable since there is no significant or unusual cost variance occurred during the investigation period.

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

[Answer]

Not applicable since there is no profit/cost centre in Seraphim's cost accounting system.

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

[Answer]

Not applicable since there is no profit/cost centre in Seraphim's cost accounting system.

- 6 Describe the level of product specificity (models, grades such as mono or poly crystalline and whether AC or DC power output) that your company's cost accounting system records production costs.

[Answer]

Seraphim's production costs are based on watts.

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

[Answer]

This question is not applicable.

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

[Answer]

This question is not applicable.

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

[Answer]

This question is not applicable.

G-4 Cost to make and sell on domestic market

PUBLIC RECORD

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type (eg as mono or poly crystalline and whether AC or DC power output)* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.
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.

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Domestic CTMS**".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

² 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.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

[Answer]

Please refer to the Appendix G-4 Domestic CTMS for your reference [Confidential].

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia – from spreadsheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Australian CTMS**".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

[Answer]

Please refer to the Appendix G-5 Australian CTMS for your reference [Confidential].

- 1 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.

[Answer]

This question is not applicable. There are no cost differences between goods sold to the domestic market and those sold for export. The cost allocation method is all by watts between goods sold to the domestic market and those sold for export.

- 2 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.

[Answer]

This question is not applicable.

- 3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or watts etc) to determine the unit cost differs from the prior practice of your company.

[Answer]

This question is not applicable.

G-6 Major raw material costs

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

For these major inputs:

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

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

PUBLIC RECORD

37

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

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

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

[Answer]

Please refer to the Appendix H-2.3(a) Raw Material Purchases for your reference [Confidential].

SECTION H - PARTICULAR MARKET SITUATION

The applicant claims that a ‘particular market situation’ exists in respect of certain crystalline silicon photovoltaic modules or panels (the goods) in China due to the government providing “policy loans” and credit facilities by the state owned Chinese banks at preferential rates that do not take into account commercial risk and prudential lending practices that otherwise applied in the Chinese capital credit market.

The existence of a ‘particular market situation’ could affect the Commission’s approach to calculating the normal value within its dumping assessment. In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose is if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a ‘particular market situation’ exists).

These situations may be where the domestic selling prices in the country of export have been materially influenced by the government rendering those prices unsuitable for use in establishing normal values.

In this part of the questionnaire, the Commission is seeking information from your business, supported by evidence, in assessing the market situation claims made by the applicant. All document provided must be accompanied with a translated English version as well as the original version.

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

Part 1 General information

1. Ownership and management

a) Has the Government of China (GOC)³ anytime in the previous 5 years been a shareholder (or invested either directly or indirectly) in your business? If so, provide details of shareholding and/or investments.

[Answer]

In the previous 5 years, the Government of China has never been a shareholder (or invested either directly or indirectly) in Seraphim.

b) List all the directors and major shareholders of your business and identify any common directors and executive officers between your business and related businesses.

[Answer]

Seraphim has no related company.

No.	Name of Shareholders	Shareholding Percentages
1		
2		

³ References to the GOC include any government authorities at any level (e.g. National, Provincial, Regional, Local), agency, party, or otherwise associated entity, including the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

3		
4		

[Confidential information concerning the shareholders and percentage of shareholdings of Seraphim]

c) Are any directors or major shareholders, employees, or otherwise affiliated with the GOC? If so, identify the individuals, their role and their affiliation with the GOC.

[Answer]

There are no directors or major shareholders, employees, or otherwise affiliated with the GOC.

d) Are any directors or employees of your business appointed, managed or recommended by the GOC? If so, identify the government department(s) they were recommended by.

[Answer]

There are no directors or employees of Seraphim appointed, managed or recommended by the GOC.

e) Provide details of any significant changes in the ownership structure of your business over the last 5 years.

[Answer]

There are no significant changes in the ownership structure of Seraphim over the last 5 years

f) Identify all positions within your business that are appointed or designated to act on behalf of GOC authorities.

[Answer]

There are no positions within Seraphim that are appointed or designated to act on behalf of GOC authorities.

g) Explain whether there are any GOC requirements by law and/or any internal business policy to have GOC representation in your business. If so explain their role.

[Answer]

There are no GOC requirements by law or any internal business policy to have GOC representation in Seraphim.

h) Does the GOC representative(s) or the person(s) appointed by the GOC have any VETO rights for any decisions made by the Board and/or the senior executives of your business? If so explain how and when such powers are exercised.

[Answer]

There are no GOC representative or the person appointed by the GOC in Seraphim.

i) Who has the ability to reward, hire, fire or discipline your business' senior managers and executives?

[Answer]

The board of shareholders has the ability to reward, hire, fire or discipline Seraphim's senior managers and executives.

- j) Do any of your business' senior managers hold positions in any GOC departments or organisations, associations or Chambers of Commerce? If so describe the nature of their positions.

[Answer]

Seraphim has no senior managers hold positions in any GOC departments or organizations, associations or Chambers of Commerce.

- k) Is your business publicly listed and traded on a securities exchange?

[Answer]

Seraphim is not publicly listed and traded on a securities exchange.

- l) If so, identify all types of securities listed and name all securities exchange's on which they are traded.

[Answer]

Not applicable since Seraphim is not publicly listed and traded on a securities exchange.

- m) Are there any restrictions to trade these securities (e.g. restricted only to Chinese nationals etc.)?

[Answer]

Not applicable since Seraphim is not publicly listed and traded on a securities exchange.

2. Business planning

- a) Explain your business' decision-making process in general and in respect of PV modules or panels products in relation to:
- i. what goods are produced;
 - ii. how the goods are produced;
 - iii. how much is produced;
 - iv. the quantity of inputs (such as raw materials) purchased and how it is allocated to the manufacture of different products;
 - v. the location of your production facility;
 - vi. how your business' profit is distributed (e.g. dividends, share buyback etc); and
 - vii. how you make decisions regarding your companies' growth target and other strategic decisions (e.g. expansions, mergers, acquisitions, restructures).

[Answer]

[Confidential information concerning the decision-making process of Seraphim]

- b) Provide a description of any GOC input/guidance into the decision-making process regarding your manufacturing, marketing and sale of PV modules or panels products.

[Answer]

There is no GOC input or guidance into the decision-making process regarding Seraphim's manufacturing, marketing and sale of PV modules or panels products.

PUBLIC RECORD

41

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

[Answer]

There are no government departments or offices that are involved (directly or indirectly), in Seraphim's manufacture, sale or purchase of PV modules or Panels products.

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

[Answer]

There are no minutes of Seraphim's Board of Directors and Board of Shareholders meetings over the investigation period.

- e) Provide copies of the notes to business meetings where pricing decisions on PV modules or Panels products have been made over the investigation period.

[Answer]

There are no notes to business meetings where pricing decisions on PV modules or Panels products have been made. The price has been made by Seraphim as the following rules: [Confidential information concerning the price decision-making process of Seraphim]

- f) Provide the copies of your Business and/or Corporate Plan that were effective during the Investigation period.

[Answer]

Seraphim has no Corporate Plan.

- g) Has your business been involved in any mergers and/or acquisitions in the last 5 years? Is so, provide details.

[Answer]

Seraphim has not been involved in any mergers or acquisitions in the last 5 years.

- h) Has your business undergone any major restructuring in the last 5 years? Is so, provide details.

[Answer]

Seraphim has not undergone any major restructuring in the last 5 years.

- i) Is your business currently, or in the last 5 years, been involved in a joint venture? If so, provide details.

[Answer]

Seraphim has not been involved in a joint venture currently, or in the last 5 years.

3. Licensing

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

[Answer]

Please refer to the Appendix H-1.3 (a) Business License [Confidential].

PUBLIC RECORD

42

- b) Identify the GOC departments or offices responsible for issuing the license(s).

[Answer]

Seraphim's business license was issued by Changzhou Wujin Administration for Industry and Commerce.

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

[Answer]

The procedures involved in applying for the license are:

- (1) Registration of opening a company;**
- (2) Open a bank account;**
- (3) Apply for Legal code certificate;**
- (4) Tax registration;**
- (5) Apply for health permits;**
- (6) Apply for licenses of charging fees;**
- (7) Application of opened registration form.**

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

[Answer]

The incorporation of a limited liability company shall satisfy the following conditions:

- (1) The number of shareholders accords with the quorum;**
- (2) The amount of capital contributions paid by the shareholders reaches the statutory minimum amount of the registered capital;**
- (3) The articles of association are worked out jointly by shareholders;**
- (4) The company has a name and its organization complies with that of a limited liability company; and**
- (5) The company has a domicile.**

- e) Describe any sanctions and/or restrictions imposed on your business if you act outside the scope of your business license(s).

[Answer]

A company which is engaged in business activities beyond the business scope as approved to register shall be ordered to remedy the wrongs by the company registration authority, and it may also be subject to a fine.

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

[Answer]

The enterprise shall make its own managerial decisions within the approved scope of business operations and shall not be subject to intervention. No other benefits conferred to Seraphim under the business license.

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

[Answer]

The business license will be withdrawn under the following circumstances:

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

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

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

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

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

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

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

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

The Administration for Industry and Commerce has the authority to revoke the license.

- h) What are the on-going conditions and/or requirements of your business license? Name the authority that manages the compliance of these conditions and/or requirements?

[Answer]

If the company is not under the circumstances mentioned in question (g), the company can carry on the normal production and operation. The Administration for Industry and Commerce has the authority to manage the compliance.

PUBLIC RECORD

44

4. Capital investment activities

- a) List all capital investment activities (e.g. new production line, upgrades) your business has undertaken in the last 5 years and provide details of the approval process and any conditions placed upon the approval. Provide all relevant documentation, including copies of application forms and approval letters.

[Answer]

[Confidential information concerning the capital investment activities of Seraphim]

- b) If an application for your capital investment activity was not approved, provide details and documentation for the refusal.

[Answer]

Not applicable since the investment was approved by the government.

- c) Identify all relevant authorities responsible for approving capital investments including the office address, phone and fax numbers. Also provide a brief description of the role of the authority in the approval process.

[Answer]

Authorities	Office Address	Phone	Fax
Department of Economic Development	Changzhou Henglin Town Yanghu Road	+86 (0)519 88780533	+86 (0)519 88781671
Development and Reform Bureau	Changzhou Wujin Gehu Road The administrative service center	+86 (0)519 86318011	

Department of Economic Development is responsible for conducting a preliminary examination of the enterprise.

Development and Reform Bureau is responsible for reviewing the preliminary examination and issuing the Notice for the Record of Enterprise Investment Project.

5. Financing and investment activities

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

[Answer]

[Confidential information concerning the sources of debt]

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

[Answer]

Year	Rate of Interest
2011	
2012	
2013	

PUBLIC RECORD

[Confidential information concerning the rate of interest paid by Seraphim]

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

[Answer]

Seraphim has not benefit from any concessional interest rates for loans in the last 5 years.

- d) Has your business raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt and/or equity instruments in the last 5 years? If so:
 - i. explain what instruments were used;
 - ii. identify the type (e.g government guarantee) and provider of the security; and
 - iii. explain the reasons for raising the capital.

[Answer]

Seraphim has never raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt or equity instruments in the last 5 years.

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

[Answer]

Seraphim has no policies on how cash reserves are to be invested.

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

[Answer]

Seraphim has not invested in either government or non-government debt securities.

6. Industry associations

- a) Are you a member of any industry association (either governmental or non-governmental)? If so, for each association provide details including:
 - i. The name of the association.
 - ii. When your business joined the association.
 - iii. Whether there are any membership fees.
 - iv. The purpose of the association.
 - v. The benefits of the association.
 - vi. Any restrictions or conditions placed on your business by being a member of the association.
 - vii. Any other on-going requirements for the association.

[Answer]

The name of the association		
------------------------------------	--	--

When joined the association		
Whether there are any membership fees		
The purpose of the association		
The benefits of the association		
Any restrictions or conditions		
Any other on-going requirements		

[Confidential information concerning the membership of Seraphim]

7. Interaction with the GOC

- a) Provide details of all interactions that your business has with the GOC including reporting requirements to the GOC.

[Answer]

Seraphim makes submission to the Chinese Bureau of Statistics once a month. But the organization never assesses or provides feedback on the submission.

- b) Provide contact details of any GOC departments, bureaus or agencies that your business has had any dealings with that are responsible for the administration of measures in the PV modules or panels industry.

Ensure that your response includes contact information regarding the following areas:

- i. industrial policy and guidance on the PV modules or panels industry sector;
- ii. market entry criteria for the PV modules or panels industry sector;
- iii. environmental enforcement for the PV modules or panels industry sector;
- iv. management of land utilization;
- v. the China Banking Regulatory Commission for the PV modules or panels industry sector;
- vi. investigation and inspection of new PV modules or panels expansion facilities;
- vii. the section in the National Development and Reform Commission that is responsible for the PV modules or panels industry sector; and
- viii. import licensing for PV modules or panels raw materials.

[Answer]

Market entry criteria for the PV modules or panel industry sector and industrial policy and guidance on the PV modules or panels industry sector is Economic and Information Technology Commission. Tel: +86(0)519-86310161.

Investigation and inspection of new PV modules or panels expansion facilities sector is Development and Reform Commission. Tel: +86(0)519-86310117.

Environmental enforcement for the PV modules or panels industry sector is Environmental Protection Bureau. Tel: +86(0)519-86310708.

PUBLIC RECORD

47

Seraphim has no knowledge of contact details of any other GOC departments, bureaus or agencies since Seraphim has not have any dealings with them.

- c) Have you had dealings or communications with the National Development and Reform Commission (NDRC) and/or the Ministry of Industry and Information Technology (MIIT) in the last 5 years? If so, provide details.

[Answer]

Seraphim had communications in the approval process of the investment of construction of the new production line.

- d) Provide details of all the taxes paid by your business in the last 5 years (e.g company tax, sales tax, levies, royalties). Ensure that you include the tax rate, whether it is a reduced rate and the name of the authority that it is paid to.

[Answer]

[Confidential information concerning the details of all the taxes paid by Seraphim]

- e) List and describe all reports that are required to be submitted to the GOC? How often such reports are required? Identify the government department/office where each report is filed.

[Answer]

Seraphim makes submission to the Chinese Bureau of Statistics once a month. But the organization never assesses or provides feedback on the submission.

- F) Does your business provide selling price information or participate in surveys to an external agency? If so, provide details.

[Answer]

Seraphim does not provide selling price information or participate in surveys to an external agency.

PART 2 PV Modules or Panels

1. Sales and production

- a) Provide a list of all your domestic customers of the goods, include the location (city and province) of the customer and indicate whether each customer is an state invested (and/or owned) enterprise (SIE).

[Answer]

Name		
Whether is a SIE		
Location		

[Confidential information concerning the domestic customers of Seraphim]

- b) Does your business need to obtain approval or a licence to manufacture and sell the goods? If so, provide details.

[Answer]

Seraphim does not need to obtain approval or a license to manufacture and sell the goods.

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

[Answer]

There are not any restrictions or conditions in relation to the quality or quantity of the production of the goods placed upon Seraphim.

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

[Answer]

Seraphim does not require an export license since the goods exported by Seraphim does not have any quantitative restrictions or other constraints imposed by the GOC.

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

[Answer]

The goods sold by Seraphim are not subject to any export restrictions or limits during the previous 5 year.

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

[Answer]

There are no any other restrictions placed upon your business on the sale of the goods.

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

[Answer]

[Confidential information concerning the production capacity of Seraphim]

2. Selling price

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

[Answer]

The price has been made by Seraphim as the following rules: [Confidential information concerning the determination of Seraphim] There are no any other restrictions or limitations imposed on Seraphim.

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

[Answer]

Seraphim has no idea which organization or business entity is the price leader of the goods.

- c) Does your business have a pricing committee in respect of the goods? If so

PUBLIC RECORD

49

provide the names and positions of all members of the Committee.

[Answer]

Seraphim does not have a pricing committee in respect of the goods.

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

[Answer]

Not applicable since Seraphim does not have a pricing committee in respect of the goods.

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

[Answer]

The general manager and executive manager authorize the sales terms, prices and other contract provisions for the sale of the goods.

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

[Answer]

Not applicable since Seraphim just has production facilities in one region.

3. Raw material purchases

Only answer the following questions if your business, or related businesses, manufacture PV modules or panels

- a) Provide a detailed listing of your raw material purchases (e.g. polysilicon, silicon ingots, silicon wafers, solar (PV) cells) by completing the 'Raw Material Purchases' tab in the attached spreadsheet.

[Answer]

Please refer to the Appendix H-2.3(a) Raw Material Purchases for your reference [Confidential].

- b) Do you have more than one supplier of the raw materials? If so, provide an explanation of the reasons of price differences between these suppliers (if applicable)?

[Answer]

Seraphim has more than one supplier of the raw materials. The reasons of price differences between these suppliers are as followed: [Confidential information concerning the reasons of price differences].

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

[Answer]

[Confidential information concerning the purchase procedures of the raw materials and the considerations in selecting a supplier]

PUBLIC RECORD

50

- d) If any of your raw materials for the production of PV modules or panels are imported by your business, or related businesses :
- i. Provide details including a description of the raw material imported, the supplier and country of origin.
 - ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
 - iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
 - iv. Are you eligible for a duty drawback? If so, provide details.

[Answer]

There are not any raw materials for the production of PV modules or panels are imported by Seraphim, or related businesses.

SECTION I - EXPORTER'S DECLARATION

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

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

Name :.....LI GANG.....

Signature :..........

Position in Company : .. The General Manager.....

Date:.....20 June 2014.....

PUBLIC RECORD

SECTION J - CHECKLIST

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

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

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	✓
TURNOVER – sales summary	✓
AUSTRALIAN SALES – list of sales to Australia	✓
DOMESTIC SALES – list of all domestic sales of like goods	✓
THIRD COUNTRY – third country sales	✓
PRODUCTION – production figures	✓
DOMESTIC COSTS – costs of goods sold domestically	✓
AUSTRALIAN COSTS – costs of goods sold to Australia	✓
Raw Material Purchases – raw material purchases	✓