



INVESTIGATION NO. 239

**ALLEGED DUMPING OF CERTAIN CRYSTALLINE SILICON
PHOTOVOLTAIC MODULES OR PANELS**

EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

EXPORTER VISIT REPORT

ET SOLAR INDUSTRY LIMITED

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT
THE FINAL POSITION OF ANTI-DUMPING COMMISSION**

November 2014

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ABBREVIATIONS

\$ or AUD	Australian dollars
ACBPS	Australian Customs and Border Protection Service
BVI	British Virgin Islands
CFR	Cost and freight
China	People's Republic of China
CIF	Cost, Insurance & Freight
COGS	Cost of goods sold
CTM	Cost to make
CTMS	Cost to make & sell
EN	ET Solar Energy Limited
EPC	Engineering, procurement and construction
ET Solar	TT, EN and NY
ET Solar Australia	ET Solar Australia Pty Ltd
EU	European Union
EXW	Ex-works
FOB	Free-on-board
FY	Financial year
GAAP	Generally accepted accounting principles
GL	General ledger
GOC	Government of China
NDRC	National Development and Reform Commission
NIP	Non-injurious Price
NY	ET Energy Co., Limited
OCOT	Ordinary course of trade
OEM	Original Equipment Manufacturer
PAD	Preliminary Affirmative Determination
PECVD	Plasma enhanced chemical vapour deposition
PV modules or panels	Certain crystalline silicon photovoltaic modules or panels
RMB	Chinese Yuan Renminbi
SEF	Statement of Essential Facts
The Act	<i>Customs Act 1901</i>
The Applicant	Tindo Manufacturing Pty Limited
The Commission	The Anti-Dumping Commission
The goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
The Minister	the Minister for Industry and Science

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The Parliamentary Secretary	the Parliamentary Secretary to the Minister for Industry and Science
Tindo	Tindo Manufacturing Pty Ltd
TT	ET Solar Industry Limited
USD	United States dollars
YTD	Year-to-date

1 BACKGROUND AND PURPOSE

1.1 Background

On 4 February 2014, Tindo Manufacturing Pty Ltd (Tindo) lodged an application requesting that the Minister for Industry and Science¹ (the Minister) publish a dumping duty notice in respect of certain crystalline silicon photovoltaic modules or panels (PV modules or panels) exported to Australia from the People's Republic of China (China).

In the application Tindo alleged that it had suffered material injury caused by certain PV modules or panels exported to Australia from China at dumped prices.

Tindo claims that the Australian industry had been injured through:

- lost sales revenue;
- price depression;
- price suppression;
- loss of profit; and
- reduced profitability.

On 14 May 2014, the Anti-Dumping Commissioner (the Commissioner) initiated an investigation into the alleged dumping of PV modules or panels (the goods) exported to Australia from China. A public notification of the initiation of the investigation was made in *The Australian* newspaper and was also published on the Commission's website.

1.2 Meeting

Following the initiation of the investigation, a search of the Australian Customs and Border Protection's Service's (ACBPS) import database indicated that ET Solar Industry Limited (hereafter referred to as TT) exported PV modules or panels from China to Australia during the period 1 July 2012 to 31 December 2013 (the investigation period).

From the ACBPS import database, we noted that a large number of companies exported PV modules or panels from China. Section 269TACAA of the *Customs Act 1901* (the Act)² states that where the number of exporters is so large that it is not practicable to examine the exports of all those exporters, a selection can be made on the basis of exporters that are responsible for the largest volume of exports to Australia that can be reasonably examined.

The Anti-Dumping Commission (the Commission) noted that TT was one of the four exporters that exported the largest volume of PV modules or panels to Australia in the

¹ As a result of changes made by the Prime Minister on 24 December 2014, the responsibility for anti-dumping matters was transferred to the Minister for Industry and Science from the Parliamentary Secretary to the Minister for Industry and Science.

² All references in this report to sections of legislation, unless otherwise specified, are to the *Customs Act 1901*.

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investigation period. On 14 May 2014, the Commission selected TT to be included in the sample and sought its cooperation with the investigation. The Commission provided an exporter questionnaire in respect of PV modules or panels to the company to complete.

TT completed the exporter questionnaire, providing details regarding its company background, domestic sales data, exports to Australia and other third countries data and cost to make and sell expenses. In its response TT also described its domestic and export sales processes.

We noted that during the investigation period all domestic sales of the goods were made either directly by TT, or through a related trading entity ET Energy Co., Limited (hereafter referred to as NY). All exports to Australia were through a related entity ET Solar Energy Limited (hereafter referred to as EN).

For the purpose of this report, we refer to TT, NY and EN collectively as 'ET Solar'. A copy of ET Solar's exporter questionnaire response is at **Confidential Attachment GEN 1**.

1.3 Purpose of visit

The purpose of the visit was to verify information submitted in the exporter questionnaire response. Information verified during the visit has been used to make preliminary assessments regarding:

- like goods;
- who is the exporter and who is the importer;
- export prices;
- normal values; and
- dumping margins.

Prior to the visit the Commission forwarded an agenda to ET Solar. A copy of the visit agenda is at **Confidential Attachment GEN 2**.

1.4 Meeting details

Company	ET Solar Industry Limited
Dates of visit	26 November 2014 to 1 December 2014

The following were present at various stages of the meeting:

ET Solar	Mr Archie Chen, ET Solar Group, Director Ms Miranda Yue, ET Solar Group, Senior Business Manager Ms Carrie Han, ET Solar Group, Business Specialist Ms Cheng Xuemei, TT, Purchase Manager Mr Zhang Yan, DT, Production Manager Mr Li Jinshan, TT, Production Manager Ms Sun Xiaojing, TT, Financial Manager
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	Ms Lu Yang, TT, Accountant Ms Fang Dongmei, TT, Production Plan Manager Mr Zhuang Fei, TT, R&D Manager Ms Yang Chunhua, TT, Logistics Manager Ms Zhou Yun, TT, Purchase Manager Mr Zheng Wei, ET Solar Energy Corp, Sales Manager Ms Qi Yunxiang, TT, Accountant Ms Tao Chenglan, TT, Accountant
Consultants	Mr Frank Hang, Global Law Office Ms Ge Junxiang, Global Law Office
Anti-Dumping Commission	Mr Sanjay Sharma - Manager, Operations 3 Ms Heidi Matuschka – Manager, Operations 1

1.5 Investigation process and timeframes

At the visit we provided a summary of the investigation process and timeframes as follows:

- the investigation period is from 1 July 2012 to 31 December 2013;
- the injury analysis period is from 1 January 2010 to 31 December 2013, for the purpose of analysing the condition of the Australian industry;
- a preliminary affirmative determination (PAD) may be made no earlier than 13 July 2014 (day 60 from the date of initiation);
- provisional measures may be imposed and securities taken at the time of the PAD or at any time after the PAD has been made;
- the Commission will not make a PAD until it becomes satisfied that there appears to be, or that it appears there will be, sufficient grounds for the publication of a dumping duty notice;
- the Statement of Essential Facts (SEF) for the investigation was due to be placed on the public record by 1 September 2014. The Commission published Anti-Dumping Notice number 2014/106 on 27 October 2014, which stated that the Parliamentary Secretary has approved an extension to the SEF date. The SEF will now be placed on the public record by 5 March 2015, or such later date allowed by the Minister under section 269ZHI of the Act;
- the SEF will set out the material findings of fact on which the Commission intends to base its recommendations to the Minister, and will invite interested parties to respond, within 20 days, to the issues raised therein;
- following receipt and consideration of the submissions made in response to the SEF, the Commission will provide its final report and recommendations to the Minister; and
- the final report is now due on or before 19 April 2015, unless further extension to the SEF or final report is approved by the Minister.

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ET Solar was co-operative and had most of the required information available for the meeting and made a commitment to provide any further information required in a timely manner after our visit. ET Solar confirmed that it has access to the Commission's electronic public record and is able to access relevant information regarding the investigation.

1.6 Visit report

We explained to the company that we would prepare a report of our visit (this report) and provide it to the company to review its factual accuracy, and to identify those parts of the report it considers to be confidential.

We explained that, in consultation with the company, we would prepare a non-confidential version of the report, and place this on the investigation's Public Record.

2 COMPANY INFORMATION

2.1 General

ET Solar Group Corporation (Cayman) (holding company of the ET Solar Group of companies) was established in 2005 and provides optimised solar energy solutions to meet the needs of industrial, commercial and utility customers around the world. The group provides solutions throughout the entire life cycle of solar power plants, including development, finance, engineering, procurement and construction (EPC) and operations and maintenance services. In 2013, ET Solar Limited achieved USD [REDACTED] billion in revenue and solar module shipments of [REDACTED] GW.³

The ET Solar group of companies currently operate in more than 20 countries across Asia, Europe, the United States and South America. In turn, the group is providing both solar modules and power plant turnkey solutions to customers in over 60 countries. ET Solar's group structure is provided at **Confidential Attachment GEN 3**.

During the visit, ET Solar provided a presentation on the ET Solar group. (**Non-Confidential Attachment GEN 4** refers).

2.1.1 ET Solar Industry Limited

TT is a limited liability company that manufactures and supplies PV modules to the Chinese domestic market, Australia and other third countries. The company is [REDACTED] owned by EN.

TT manufactures PV modules at a single site located in Taizhou, Jiangsu Province, China. TT is certified to manufacture PV modules (ISO9001, ISO14001 and OHSAS18001) and meets international certification requirements such as ASU, SGS, CE, TUV, ETL and VDE. A copy of European Standard VDE is at **Non-Confidential Attachment GEN 5**. ET Solar claims it is a 'Tier 1' company, as classified by Bloomberg. A copy of Bloomberg's listing of Tier 1 companies is at **Confidential Attachment GEN 6**.

During the investigation period, TT also purchased some PV modules from Chinese original equipment manufacturers (OEMs) to supply the domestic and export market due to high demand.

During the investigation period, TT sold PV modules on the domestic market either directly or through its related trading company, NY. TT also sold PV modules to third countries either directly or through its related trading company, EN. All exports to Australia were through EN. The details of these Australian and domestic sales process are discussed in Chapters 4 and 6 of this report.

³ Source: ET Solar Group, 'Company Presentation', page 6.

2.1.2 ET Solar Energy Limited

EN is a limited liability company registered in the British Virgin Islands (BVI) and located in Hong Kong. The company is [REDACTED]% owned by ET Solar Group Corp, which is registered in the Cayman Islands.

EN is a trading company that sources a range of PV modules from TT, as well as from other OEMs, and on-sells these products to Australia and to other third countries. It also purchases raw materials (such as solar cells) from foreign non-affiliated suppliers.

2.1.3 ET Solar Energy Co., Limited

NY is a limited liability company that is [REDACTED]% owned by Wang Xinghua and [REDACTED]% by TT. NY is a trading company that sources a range of PV modules from TT, as well as from Chinese OEMs. NY on-sells these products predominately to Chinese domestic customers.

NY [REDACTED] owns [REDACTED], which in turn [REDACTED] owns [REDACTED], [REDACTED] and [REDACTED]. These companies are dedicated to [REDACTED], including the development of power plants and EPC projects.

2.1.4 Dotec Electric

Dotec Electric (hereafter referred to as DT) is a related entity to TT that manufactures the solar cells used by TT to manufacture PV modules. DT is [REDACTED]% owned by [REDACTED], which is [REDACTED]% owned by ET Solar Group Corp.

During the investigation period, the majority of cells manufactured by DT were supplied to TT; however, DT occasionally supplied 'scrap' cells to other domestic Chinese companies. These 'scrap' cells comprise approximately [REDACTED]% of DT's total production and are used by customers for low power requirements or standards, such as garden lights.

Prior to the visit, we identified a company '[REDACTED]' in the organisation structure submitted by ET Solar in response to the exporter questionnaire. '[REDACTED]' appeared to manufacture and supply PV cells to TT. This was because in the Confidential Appendix H2.3 to the response to the exporter questionnaire, TT stated that it purchased PV cells from "ET Solar Energy Ltd". At the visit ET Solar stated that

[REDACTED]. ET Solar also clarified that in Confidential Appendix H2.3 it referred to EN as the supplier for all raw materials sourced from overseas. EN imported raw materials and supplied to TT in the investigation period.

2.1.5 ET Solar Australia Pty Ltd

During the visit, ET Solar advised that ET Solar Australia Pty Ltd (ET Solar Australia) was established in February 2014. ET Solar Australia is [REDACTED]% owned by [REDACTED], a company [REDACTED]% owned by ET Solar Group Corp.

Similar to the '██████████' companies in Germany, France, Romania and Italy, ET Solar Australia is dedicated to projects and is not a distributor of PV modules in Australia. We noted that ET Solar Australia was established in February 2014 and therefore was not relevant to the investigation period. A copy ET Solar Australia's certificate of registration, confirming the date of its establishment, is at **Confidential Attachment GEN 7**.

2.2 Related parties

As discussed in Section 2.1 of this report, the ET Solar group of companies engage in related party transactions. We have examined the reasonableness and impact of these related party transactions throughout this report.

An ownership structure for the ET Solar group of companies is provided at **Confidential Attachment GEN8**.

2.3 Relationship with suppliers and customers

Other than the inter-company relationships identified in Section 2.1 above, ET Solar stated during the visit that it is not related to any of its customers or suppliers. We found no evidence of any relationship, other than a commercial relationship, between ET Solar and its customers or suppliers.

2.4 Accounting structure and details of accounting system

The ET Solar group of companies operate on a financial year (FY) from 1 January to 31 December. For accounting purposes, TT and NY use Chinese Yuan Renminbi (RMB) as their currency, while EN uses United States dollars (USD).

ET Solar advised that it uses a Kingdee K/3 software system for its financial accounting, human resources, supply chain management and production and costing management. During the visit we sighted numerous reports being extracted from this system.

ET Solar submitted that its companies have different auditing requirements:

- TT and NY's financial reports are audited annually by Taizhou Xingrui Accountants Co., Ltd. Each company submitted both original Chinese versions and English translations of its audited financial statements for 2012 and 2013 in the response to the Exporter Questionnaire. These form **Confidential Attachment GEN 9**; and
- EN does not produce audited statements as it is registered in the BVI and is not required to deliver audited statements. Instead, the company submitted English translations of its unaudited financial statements for 2012 and 2013. This forms **Confidential Attachment GEN 10**.

In the audited financial statements provided by TT and NY for financial years 2012 and 2013, the auditors stated that "... *We believe that the Financial Statements of the Company are prepared in accordance with the Accounting Standards for Business Enterprises and, in all material respects, present fairly the financial position of the Company...*"

3 THE GOODS UNDER CONSIDERATION AND LIKE GOODS

3.1 The goods

The goods subject to the application (the goods) are:

Certain crystalline silicon photovoltaic modules or panels, whether exported assembled or unassembled, and whether or not they have an inverter, capable of producing any power in terms of watt.

The following product types are excluded from the application:

- *cells and wafers of the type used in PV modules or panels;*
- *solar chargers that consist of less than six cells, are portable and supply electricity to devices or charge batteries; and*
- *PV products that are permanently integrated into electrical goods, where the function of the electrical goods is other than power generation, and where these electrical goods consume the electricity generated by the integrated crystalline silicon photovoltaic cell(s).*

3.2 Tariff classification

The goods are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

- 8541.40.00, statistical code 53;
- 8501.61.00, statistical codes 33 and 24;
- 8501.62.00, statistical code 34;
- 8501.63.00, statistical code 40; and
- 8501.64.00, statistical code 41.

3.2.1 Goods exported to Australia

ET Solar manufactured and sold the full range of PV modules or panels under investigation in both the domestic market and in Australia. During the investigation period, ET Solar exported to Australia PV modules that were predominantly mono-crystalline, direct current PV modules with a power output between 240W and 250W.

3.3 Like goods – preliminary assessment

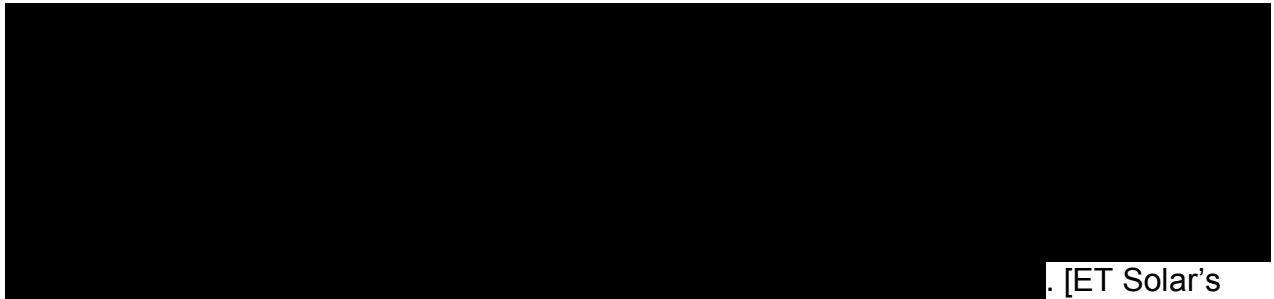
We consider that the domestic sales of the goods falling within the goods description are like to goods exported to Australia. We consider the goods produced by ET Solar for domestic sale have characteristics closely resembling those of the goods under consideration and are therefore 'like goods' in accordance with subsection 269T(1).

3.4 Product range and manufacturing facilities

3.4.1 Product range

The goods exported to Australia are mono-crystalline and poly-crystalline PV modules with power outputs ranging from 20 watts to 300 watts. We noted from the sales data provided that during the investigation period only A grade products were sold to Australian customers. ET Solar advised that 'A grade' refers to standard modules.

For the domestic market, we identified [REDACTED] mono-crystalline models and [REDACTED] poly-crystalline models from the sales data provided for both TT and NY, with the most commonly sold product model being [REDACTED], a poly-crystalline PV module with a unit power output of [REDACTED] watts. We also identified sales of grades [REDACTED] and [REDACTED] being made to the domestic market. In particular, it was observed that sales of the [REDACTED] and [REDACTED] grades commenced in the June 2013 and September 2013 quarters respectively. During the visit, ET Solar advised that



[REDACTED] [ET Solar's view on domestic market]

3.5 Production process

3.5.1 Manufacturing

In response to the Exporter Questionnaire, ET Solar provided a summary of its solar cell and photovoltaic module production process (**Confidential Attachment GEN 11**).

During the visit, we toured the production facilities of DT (located at a separate site in Taizhou) and observed the production process for solar cells. Due to the classified technology being used, we were required to view this process through glass windows. We noted that DT [REDACTED] produces [REDACTED] cells. TT sourced [REDACTED] PV cells from other unrelated domestic and overseas suppliers to manufacture [REDACTED] PV modules.

We observed the production process for solar cells to be as follows:

1. Slice of inspection
2. Wafers are the major raw material used to produce a solar cell. At this stage of production, all wafers purchased by [REDACTED] are inspected by the company [REDACTED]. ET Solar estimated that around [REDACTED]% [REDACTED] purchased from domestic suppliers and the remaining [REDACTED]% [REDACTED] Pre-cleaning and texturing

3. [REDACTED]

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- Diffusion
- 4. Wet etching
- 5. Plasma enhanced chemical vapour deposition (PECVD)
- 6. Printing
- 7. Sintering
- 8. Testing
- 9. Appearance sorting
- 10. Packaging

Following our tour of the factory, ET Solar advised that DT has [redacted] workshop with [redacted] lines of production. This workshop operates [redacted] per day, [redacted] days a week and produces between [redacted] to [redacted] megawatts of cells daily. Products are divided by power, with more than [redacted] types produced.

We also toured TT's production facilities and observed the production process of PV modules as follows:

- 1. Cell inspection
- 2. The company prepares the number of cells required for production [redacted] According to ET Solar, the main standard at this time is colour, with cells being sorted into [redacted] Welding

For this stage of the production process, ET Solar advised that [redacted] The silicon cells are

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connected to strings with ribbons by soldering. Cleanness, having the right soldering temperature and pre-heating the cells are all important factors.

3. Lay up

[REDACTED]
[REDACTED] The cell arrays are moved onto the glass using a hand-held tool with suction caps. After this, a backsheet is applied and bus bar welding manually performed.

4. EL test

5. [REDACTED]
[REDACTED] Lamination [REDACTED]
[REDACTED] EL test and inspections

6. [REDACTED] Framing

7. [REDACTED] Junction box installation

8. [REDACTED] Solidification

9. [REDACTED] Cleaning

The façade of the module is cleaned with alcohol and wiped to ensure it is tidy.

10. Testing

11. [REDACTED]
[REDACTED] Packaging [REDACTED]
[REDACTED]

Following our tour of the factory, ET Solar advised TT runs [REDACTED] workshops, each undertaking [REDACTED] per day, [REDACTED] days a week. The [REDACTED] workshops have

a (combined) output of ■ megawatts per day. ET Solar explained that it was difficult to say how many lines of production there are, because each stage of production will have a different number of lines/items of equipment.

3.5.2 Warehousing

The PV module factory in Taizhou includes warehousing facilities, where products are held prior to being shipped to domestic market or export markets. We noted these facilities during our tour of TT's plant.

ET Solar advised that goods exported to Australia, and its products sold to the domestic market, typically spend only a short time in the warehouse as they are made-to-order. We noted that neither NY nor EN has any warehouse facilities, other than those on-site at TT.

3.6 Product codes

In its response to the Export Questionnaire, ET Solar submitted that the model codes used in its sales data (both export and domestic) can be explained per Table 1 below, using P660250 as an example:

P	6	60	250
Represents poly-crystalline silicon	Represents the size of the cell (diagonal length, measured in inches)	Represents the number of cells in the module	Represents the module rated power output

Table 1: model code explanation

The term 'module rated power output' is used throughout this report to refer to the final three digits of the model code.

4 SALES TO AUSTRALIA

4.1 Background

As noted in Section 2.1.2 of this report, TT exported PV modules to Australia via its related trading entity EN. EN sourced these goods via three different channels, as discussed below:

- (i) [REDACTED];
- (ii) [REDACTED]; or
- (iii) [REDACTED].

Channel 1	Channel 2	Channel 3
<ul style="list-style-type: none">• [REDACTED]	<ul style="list-style-type: none">• [REDACTED]	<ul style="list-style-type: none">• [REDACTED]

Table 2: comparison of the export sales process for PV modules

Typically, the goods are manufactured by TT and exported to Australia by EN through Channel 3, although ET Solar explained that the goods might be

[REDACTED]

4.2 Export sales process

ET Solar explained the export sales process in relation to PV modules as follows:

- [REDACTED]

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4.2.1 Pricing

During the visit, ET Solar confirmed there is no 'price list' for export sales to Australia, although the group has an internal price guideline that is released quarterly for the Asia Pacific region (a sample copy dated 15 January 2013 is provided at **Confidential Attachment EXP 1**). At the visit EN stated that it has good relationship with its Australian customers, therefore ET Solar does not formally distributes the price guidelines on regular basis to its customer unless there is a major price change.

Although EN negotiates price with its customers, ET Solar advised that negotiations usually stay close to the guideline price due to the relationships EN has with its Australia customers. It is noted that all prices are [REDACTED]. ET Solar advised that timely delivery of the goods is often more important in its negotiation with customers than price itself.

4.2.2 Discounts and rebates

During the visit, ET Solar stated that



[REDACTED]. We did not find any evidence when reviewing the documentation provided that disputed this claim.

4.2.3 Commissions

According to ET Solar, commissions may be paid by EN to a local distributor in Australia, where that distributor has referred other Australian importers to EN (i.e. is providing assistance with local marketing and sales support). Commissions are further discussed in Section 4.5.11 of this report.

4.2.4 Pre-payments

ET Solar advised that Australian customers are required to provide a pre-payment (or deposit) of [REDACTED]% to [REDACTED]% of the USD invoice value. This is not specified in the 'payment terms' outlined in the contract of sale.



4.3.1 Turnover aggregate data

In addition to the sales listing outlined above, ET Solar also submitted a *Turnover* spreadsheet for EN that reported the aggregate sales value of domestic, Australian and third country export sales (where applicable), at the whole company level and for the goods and like goods themselves. This *Turnover* sheet forms **Confidential Attachment EXP 3**.

4.3.2 Export volume

The export sales listing provided by ET Solar showed that EN sold [REDACTED] PV modules to Australian customers during the investigation period, with a [REDACTED] watt power output, valued at USD [REDACTED]. We were able to verify this volume against the ACBPS database with a minor variance of less than 1%.

4.4 Verification of sales to audited financial statements

4.4.1 Approach to verification

The upward verification of domestic sales by TT and NY and exports to Australia by EN to the financial statements was carried out together. We noted that during the investigation period TT did not directly export any PV modules or panels to Australia.

As discussed in Section 2.4 of this report, ET Solar provided audited financial statements for TT and NY and unaudited financial statements for EN for the FY2012 and FY2013. As outlined in Section 4.4.1, ET Solar also provided EN's *Turnover* spreadsheet, including all exports to Australia and TT's and NY's *Turnover* spreadsheet, including all domestic sales in the investigation period.

At the visit ET Solar provided us with revised *Turnover*, domestic sales and export sales data for each of the three entities: TT, NY and EN, as the original spreadsheet contained some errors (**Confidential Attachment EXP 4** refers). At the visit ET solar also provided us with TT's, NY's and EN's monthly general ledger (GL), trial balance and income statements for the FY2013 (**Confidential Attachment EXP 5** refers). For each of the three entities we compared the revised data with the audited financial statements as discussed below.

4.4.2 TT – Domestic and third country sales

We compared the revised domestic sales value and volume for the FY2013 (**Confidential Attachment DOM 2** refers) to the *Turnover* spreadsheet. We noted that the domestic volume and value did not matched with the *Turnover* spreadsheet, the details of difference were reported in the revised *Turnover* spreadsheet. We then compared the *Turnover* statement with the GL for the FY2013. We noted that there was a variance of [REDACTED]% by value (*Turnover* spreadsheet was understated). TT explained that the variance was due to the following reasons:

- [REDACTED];
- Neither the GL nor the *Turnover* spreadsheet is based on the VAT invoice. Instead, the revised domestic sales value and volume is based on the VAT invoice. (TT will

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recognise the income while meeting all the following criteria according to Accounting Standards for Business Enterprise (ASBE):

- a. The main risk and reward for the ownership of the goods have been transferred to the buyer.
 - b. The enterprise retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods.
 - c. The amount of the income can be measured reliably.
 - d. Relevant economic benefits are likely to flow into the enterprise.
 - e. The cost, which has occurred or will occur, can be measured reliably
- Therefore, while some invoices were issued in 2014, the sale was recognised in 2013 [REDACTED]; and
 - there was an error in the data where some raw material income was recorded as modules [REDACTED].

We also noted that while TT was predominantly selling the goods directly to the domestic market, or NY, in the latter half of FY2013, TT directly exported PV modules to European countries. TT stated that this was because before August 2013, all exports to all third countries were via EN. However, after August 2013 due to the European Union (EU) dumping investigation, ET Solar entered into a price and volume undertaking agreement with the EU. The EU only agreed to allow the manufacturing entity (TT) to undertake this agreement (and not EN) to enable effective monitoring of exports of PV modules by TT. As such, all exports to Europe after August 2013 were directly by TT.

We compared the third country sales provided in the response to the exporter questionnaire to the *Turnover* spreadsheet. The volume and value of the sales matched. We then compared the GL to the *Turnover* spreadsheet and noted a minor difference of less than 1%.

At the visit TT provided us with another revised *Turnover* spreadsheet, explaining the differences. The revised *Turnover* spreadsheet value and volume reconciled to the GL for the FY2013 (**Confidential Attachment EXP 4** refers).

We then compared the value of sales in the GL to the audited income statement for the FY2013. No variance was noted.

4.4.3 NY – Domestic sales

We compared the revised domestic sales value and volume for the FY2013 to the *Turnover* spreadsheet. We noted a minor variance in the value of the sales (less than 1% where the domestic sales overstated). NY stated that there was an error in the domestic sales as it contained some sale of materials. NY provided revised domestic sales data, which matched the value and volume in NY's *Turnover* spreadsheet.

We then compared the revised *Turnover* statement with the GL for the FY2013. We confirmed in the GL that all PV modules were sold in the domestic market only. We noted that domestic sales data in the GL was recorded as a single code ([REDACTED]). NY stated that,

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due to low volume of sales compared to TT, it was recording all domestic sales under a single code. Therefore the sale of modules (value and volume) were manually calculated from the GL and reconciled to the income statement. When comparing the *Turnover* spreadsheet with the GL, we noted a variance of 30% in the value of sales of PV modules (*Turnover* spreadsheet was understated). NY explained the variance was due to the same reasons as for TT discussed in section 4.4.2 of this report .

At the visit NY provided us with another revised *Turnover* spreadsheet, explaining the differences. The revised *Turnover* spreadsheet value and volume reconciled to the GL for the FY2013 (**Confidential Attachment EXP 4** refers).

We then compared the value of sales in the GL to the audited income statement for the FY2013. No variance was noted.

4.4.4 EN – Export sales

We compared the revised export sales value and volume for the FY2013 to the *Turnover* spreadsheet. We noted a minor variance in the value of the sales (less than 1% where the Australian sales was overstated). EN stated that there was a typo error in the *Turnover* spreadsheet. EN provided a revised *Turnover* spreadsheet, which matched the value and volume in EN's export sales listing.

We also compared the third country sales spreadsheet with the *Turnover* spreadsheet for the FY2013. The value and volume matched with the *Turnover* spreadsheet for FY2013.

We then compared the revised *Turnover* spreadsheet with the GL for the FY2013. We noted a variance of 3.1% being understated in the GL. EN advised that there was a 'one-off' domestic sale made to an unrelated company (██████████) which in turn exported the goods to a third country. At the visit EN provided us with a certificate from ██████████ that stated that the PV modules it purchased from EN were exported to third countries (**Confidential Attachment EXP 6** refers). As such, EN claims that these particular sales need to be taken as export sales in the *Turnover* spreadsheet. However, for the purpose of our records, we asked EN to provide us with the sales details in the domestic sales template for this particular sale. This was because for our purpose we will treat this sale as EN's domestic sales. The value of the sale was USD ██████████ and volume was ██████████ watts. The details of this sale provided by EN is at **Confidential Attachment EXP 7**.

At the visit EN also provided us with another revised *Turnover* spreadsheet. The revised *Turnover* spreadsheet value and volume reconciled to the GL for the FY2013 (**Confidential Attachment EXP 4** refers).

We then compared the value of sales in the GL to the income statement for the FY2013. No variance was noted.

4.4.5 Conclusion

At the visit TT, NY and EN provided us with monthly income statement accounts for the period six months ending December 2012. Having satisfied ourselves with upward verification reconciliations for the FY2013 accounts, and noting that there was no major discrepancy in the records that were submitted by TT, NY and EN, we did not verify the monthly accounts for the six months ending 31 December 2012.

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Having reconciled all sales spreadsheets for TT, NY and EN to audited financial accounts for the FY2013, we are satisfied that it represents a complete and relevant listing of all sales of certain PV modules or panels in the domestic market and exports to Australia during the investigation period.

4.5 Verification of export sales to source documents

Prior to the verification visit, we requested that ET Solar provide supporting documents for 12 selected export transactions (covering multiple products over each quarter of the investigation period) from the export sales listing.

ET Solar was requested to provide the following commercial documents in relation to each selected export sales transaction:

- purchase order;
- order confirmation;
- commercial invoice (or other evidence of sale/transfer, if invoice not issued) between:
 - EN to the Australian customer;
 - TT to EN;
 - NY to TT;
 - OEM suppliers to NY;
 - OEM suppliers to TT;
- evidence of payment;
- inland freight costs;
- packing list;
- bill of lading;
- evidence of ocean freight and marine insurance;
- evidence of terminal handling and other charges;
- associated port, handling, FOB and clearance charges invoice(s);
- evidence of payment for exportation costs; and
- evidence of commissions paid.

The source documents provided is at **Confidential Attachment EXP 8**.

ET Solar confirmed there is no evidence for terminal handling and other charges, as all transactions are either FOB or CIF and therefore the Australian customer will arrange for customs clearance.

4.5.1 Customer invoices

For the 12 selected sales by EN, we were able to match details in the export sales listing against relevant source documents.

We matched the invoice numbers and dates in the export sales listing to the corresponding invoices provided, and matched ET Solar's model references, shipping terms, total invoice values and quantity (pieces) as recorded in the sales listing. ET Solar advised that product codes are for internal use only, and are therefore not referenced in the invoice documentation.

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We observed that EN's invoices to Australian customers were priced in USD and included details of any pre-payments made. In assessing the invoices provided we confirmed that pre-payments made by Australian customers during the investigation period were in the range of █% to █% (per discussion at Section 4.2.4); however, it was noted that two customers, █ and █, were not required to provide pre-payments.

4.5.2 TT - Supply invoices

ET Solar provided copies of internal invoicing between TT and EN for those transactions where EN purchased via Channel 3 as discussed in Section 4.1 of this report. We matched the invoice numbers, quantity (pieces), module rated power output and shipping terms in the sales listing to the internal invoices provided.

A comparison of the total invoice values for the internal ET Solar transactions (in USD) and the corresponding transactions with the Australian customer (also in USD) indicate that, of the 10 transactions where TT was identified as the manufacturer of the goods, only two had a mark-up. These two transactions were both dated July 2012 (the two earliest shipments in the sample) and had been marked-up by █% and █% respectively. For the remaining eight transactions, we did not find any difference in the USD amount paid by EN and that paid (consequently) by the Australian customer.

█ [inter-related company payments].

4.5.3 Supply invoices – OEM suppliers

ET Solar provided copies of supply invoices for goods purchased via Channels 1 or 2 (discussed in Section 4.2 of this report refers). Of the 12 selected shipments, two were identified as containing goods manufactured by an OEM supplier. We matched the quantity (pieces), model number and shipping terms in the sales listing to the invoices provided.

From this documentation provided we noted that EN was the purchaser of the goods (not TT) and that the revised export sales listing provided by ET Solar at the conclusion of the visit has amended any references to the goods from 'purchased by TT' to 'purchased by EN'. This only relates to 11 transactions in total over the investigation period.

From the documents we also noted that EN does not appear to have purchased the goods directly from the OEM suppliers identified in the export sales listing, but rather through other unrelated entities in Hong Kong (possibly a trader) and through █.

When comparing the supply and customer invoices provided by ET Solar for the two transactions, we noted that that EN has added an additional mark up of █% and █% when selling the goods on to Australian customers.

4.5.4 Proof of payments

We requested that ET Solar provide evidence of payment for the selected export transactions. ET Solar advised that payments from Australian customers usually included a total payment related to multiple export sales (and those sales might include a combination of partial pre-payment (deposit) for their next orders and balance of past invoice payments). Therefore, in addition to the relevant bank slips, which identify a payment being made to EN from the Australian customer, ET Solar provided us with a summary that breaks each payment down by invoice number (**Confidential Attachment EXP 9** refers). We noted that this document did not include a summary for 2 of the 12 selected transactions.

For the ten selected transactions, detailed summary was included. We matched the relevant invoice amounts in the summary with the customer invoices provided (noting the customer invoices identified the amount of any pre-payments, where applicable; Section 4.5.1 refers). We have also reconciled the bank slips provided with those identified in the summary.

As we have been able to verify the payment details for the majority of the selected shipments, we are therefore satisfied that the price paid for the goods is the amount shown in the commercial invoices.

4.5.5 Exchange rates

ET Solar did not provide evidence of the exchange rates used in the export sales listing; however, it advised that the rate is determined each month by TT's finance department by referring to the last day exchange rate of the previous month that is published by the People's Bank of China.

4.5.6 Inland freight

We observed that ET Solar recorded inland freight costs in its export sales listing. During the visit, ET Solar stated that freight invoices are issued by the supplier monthly, although can be more frequent if the company requires early payment. ET Solar also confirmed that any freight costs associated with Australian export sales are paid for by TT and that no reimbursement is made by EN.

During the visit, ET Solar provided documentation to support inland freight costs for one transaction. In assessing this documentation, we noted that the freight invoice included costs for multiple transactions, and that ET Solar had provided an associated breakdown, from which the cost for the relevant transaction could be identified by its bill of lading number. We were able to match the inland freight amount in the export sales listing to the invoice breakdown provided using the bill of lading reference; however, in doing so, we found that the inland freight costs recorded in the export sales listing were VAT inclusive. ET Solar subsequently revised the export sales listing to exclude VAT for inland freight.

Documentation for the remaining 11 transactions was provided at the conclusion of the visit and was not discussed during the visit. ET Solar also provided copies of two original inland freight contracts in Chinese with companies that it referred to as '██████' and '██████' (**Confidential Attachments EXP 10 and EXP 11** refer). From these documents we noted that the TT company seal had been used in the declaration.

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ET Solar advised that it could not provide any documentation to support the inland freight costs for invoice [REDACTED], as the goods were [REDACTED]

[REDACTED]. This is consistent with the supply invoice provided by ET Solar for that shipment.

In assessing the documentation provided by ET Solar for the remaining ten transactions, we were only able to reconcile some shipments to the export sales listing. For other shipments, we noted that the documentation was either insufficient to verify clearly the amounts recorded in the export sales listing and/or we were unable to match the bill of lading number used in the freight documentation to the number in the actual bill of lading provided for that transaction.

While we were not able to match some specific details provided in the source documents invoice with the inland freight data provided in revised export sales listing, we note that the weighted average inland freight was RMB [REDACTED] per watt. This equates to less than 1% (0.53%) of the total invoice price.

We also compared the verified inland freight data with other selected exporters who are cooperating in this investigation. We found that the inland freight provided by ET Solar was very similar to those exporters. Therefore, we accepted ET Solar's inland freight data provided in the revised export sales data.

4.5.7 Inland freight insurance

In its response to the exporter questionnaire, ET Solar provided a translated version of its insurance certificate with [REDACTED] for marine cargo open cover (**Confidential Attachment EXP 12** refers). At the visit ET Solar provided another original Chinese version of this certificate during the visit to substantiate inland freight insurance (noting that it had been updated in the interim) (**Confidential Attachment EXP 13** refers).

From the (translated) English certificate, we could only identify one clause that related to inland transport within China, and this appeared to be limited to goods for transportation to a third country 'Kenya'. At the visit, ET Solar stated that an error was made when drafting this clause and that the insurance company [REDACTED] would make an amendment. ET Solar did not provide us with the amended version of this document at the time of completion report.

We noted during our assessment of the documentation that ET Solar had provided evidence of inland freight insurance costs. According to ET Solar, these costs are invoiced monthly and include insurance payments relevant to multiple transactions. Therefore, in addition to the relevant invoice, ET Solar also provided an associated listing of all insurance payments that comprised the total invoice amount (each transaction being identified by its invoice number).

In assessing this documentation we observed that those costs were not included in the export sales listing. ET Solar has subsequently revised the export sales listing to include inland freight insurance costs, using the following formula:

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net invoice value (RMB) x 110% x ██████%

The insurance listings provided with the invoices show that insurance costs are calculated by multiplying the invoice amount by 110% and by ██████%. The insurance listing for one transaction indicated that a calculation had been based on ██████% of the invoice amount alone; however, we noted that the insured amount in that case was, itself, 110% of the actual invoice amount in the export sales listing.

Although the insurance and the export sales listings use slightly different conversion rates, the impact of this is small and equates to differences that are less than 0.5%. One calculation varied by 2%, due to the insurance listing using the supply invoice value (not the customer invoice value), this was not considered material.

We observed that ET Solar has recorded '██████' inland freight insurance against four of the 12 selected transactions in its revised export sales listing. ET Solar did not provide any explanations to clarify why '██████' amount of inland freight insurance has been recorded in relation to these 4 specific invoices.

We were able to match the details provided in the source documents with the revised export sales listing, therefore we consider that ET Solar's calculation of inland freight insurance to be reasonable.

4.5.8 Handling costs

As with inland freight (Section 4.5.6 refers), ET Solar provided documentation to support handling costs for one transaction. In assessing this documentation, we noticed certain similarities to inland freight, namely that the invoice included costs for multiple transactions, and that ET Solar had provided an associated breakdown, from which the cost of the relevant transaction could be identified by its bill of lading number. We were able to match the handling amount in the export sales listing to the invoice breakdown provided using the bill of lading reference; however, in doing so, we found that handling costs in the export sales listing were all VAT inclusive. ET Solar subsequently revised the export sales listing to exclude VAT for handling costs.

Documentation for the remaining 11 transactions was provided at the conclusion of the visit and was not discussed during the visit itself. As discussed in Section 4.5.6 above, ET Solar advised that it could not provide any documentation to support the handling costs for invoice ████████████████████, as the goods were directly transported by the OEM supplier to the port in Shanghai. Although this is consistent with the supply invoice provided for that shipment, it is unclear how ET Solar calculated the relevant handling cost recorded in the export sales listing for that particular transaction.

In assessing the documentation ET Solar provided for the remaining ten transactions, we were only able to reconcile one shipment to the export sales listing. For the remaining nine, we noted that the documentation was either insufficient to verify clearly the amounts recorded in the export sales listing and/or we were unable to match the bill of lading number used in the freight documentation to the number in the actual bill of lading document provided for that transaction.

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As discussed above, we were not able to match some specific details provided in the source documents invoice with the revised export sales listing. The weighted average handling costs was less than [REDACTED] of the total invoice price.

We also compared the verified handling costs with other selected exporters who are cooperating in this investigation. We found that the inland handling costs provided by ET Solar was similar to those exporters. Therefore, we accepted ET Solar's handling cost data provided in the revised export sales data.

4.5.9 Ocean freight

For those transactions in the export sales listing that were at CIF terms, ET Solar has provided ocean freight costs. We sought to verify these ocean freight amounts identified in the export sales listing for the selected consignments (noting that three of the 12 shipments were at CIF).

We note that ET Solar has removed VAT of [REDACTED]% from the ocean freight costs in the export sales listing (in addition to the amendments already identified for inland freight and handling costs, Sections 4.5.6 and 4.5.8 refers).

Based on the revised export sales listing, we are satisfied that the calculations of ocean freight for shipments to Australia are correct.

4.5.10 Marine insurance

Marine insurance for the export sales was calculated using the following formula:

$$\text{gross invoice value (USD)} \times 110\% \times \text{[REDACTED]\%}$$

Using the AXA insurance certificate provided at **Confidential Attachment EXP 12**, we have verified that [REDACTED]% is the designated rate for marine open cover insurance, noting that the certificate specifically includes exports to Australia. No further documentation has been provided to support these costs.

Given CIF transactions comprise less than [REDACTED]% of total Australian export sales during the investigation period, and constitute a relatively small cost overall, therefore we are satisfied that the documentation provided is sufficient to conclude that calculations of marine insurance for shipments to Australia is correct.

4.5.11 Commissions

From the data provided in the export sales listing, we noted that three of ET Solar's six Australian customers had commission costs allocated to them namely

'[REDACTED]', '[REDACTED]', and '[REDACTED]'.

Of the 12 selected transactions, four included commission costs and encompassed at least one shipment for all three companies identified above. In assessing the documentation provided by ET Solar, we observed that commission agreements were between EN, the Australian customer and a third party beneficiary (noting that the third party beneficiary might also be an Australian customer of EN namely

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'██████████'). We also noted that commissions are payable by EN to the third party after receiving each full contract amount from the Australian customer.

For two agreements the commission payable was based on US cents per watt, either for specified sale contracts or a specified period of time. The remaining two agreements (both related to ██████████) were payable based on █% of the US total invoice value, not an amount per watt. This is confirmed by the invoices provided.

We also observed from the invoices that each was issued by the relevant third party to EN. ET Solar stated that when the amount was payable by EN to a third party that was also an Australian customer, the amount would be deducted from that entity's accounts receivable. For those commissions payable to an entity that was not an Australian customer, ET Solar provided the relevant bank slip (which could be reconciled to the total invoice amount).

To verify the commission paid for a particular transaction in the export sales listing, we matched the unit amount (per watt) with the corresponding commission agreement and checked the accuracy of the power output (by multiplying the piece quantity by the module rated power output). We noted that while the unit amounts were accurate, they had been incorrectly identified as RMB in the export sales listing, instead of USD. ET Solar subsequently amended and provided us with a revised export sales listing.

We noted that all commissions in the export sales listing were calculated based on unit amount per watt. In the case of commissions for ██████████, this is not the correct calculation (based on the documentation provided). We note that ET Solar amended one of these calculations in the revised export sales listing; however, all other commission costs for ██████████ retained a per watt calculation.

Although we found the some inconsistency in the methodology used to calculate commission as discussion above, we are of the opinion that generally the commission calculations and payment made to the respective companies are correct.

4.5.12 Technical assistance & other services

We noted from the export sales listing that only three transactions to Australian customers over the investigation period had recorded 'technical assistance & other service' costs. One of those transactions was included in the 12 selected shipments.

At the visit, ET Solar advised these costs relate to 'co-developed' marketing with ██████████. These costs are negotiated on a case-by-case basis, although in this case ██████████ might be undertaking a large amount of advertising for ET Solar, with ET Solar making a corresponding action. The costs do not relate to the particular transactions, but the payment would have been deducted from ██████████ accounts receivable at the time.

We observed from the bank slip summary provided at **Confidential Attachment EXP 9** that a payment matching the 'technical assistance' cost in the export sales listing was made by the Australian customer. This payment was labelled 'co-marketing' and, when combined with the second payment, equals the total invoice value. No other documentation has been provided to support this cost. Since this was a minor amount, we did not ask ET Solar for further evidence and explanations.

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4.5.13 Credit expense

We observed from the export sales listing that ET Solar has submitted credit calculations for each transaction as follows:

$$\left[\frac{\text{Net invoice value} \times (\text{date of payment} - \text{invoice date})}{365} \right] \times 5.6\%$$

ET Solar submitted that 5.6% was the 'six month interest rate for short term loans' as at 6 July 2012. The response to the Exporter Questionnaire included a document from the People's Bank of China website that verified this was the applicable interest rate at that time (**Confidential Attachment EXP 14** refers). ET Solar advised that this rate was unchanged throughout the investigation period, although no evidence was provided to support this.

We consider the above credit calculation to be reasonable.

4.5.14 Bank charges

During the visit, ET Solar stated that where payments included amounts to various different invoices, it has divided the total bank charge for that payment by the number of invoices. We observed that the bank charges recorded in the export sales listing include those charges relevant to any pre-payment, as well as balance of previous invoice payments. In some instances there was no difference between the amount received and the invoice amounts; ET Solar confirmed that in some instances the Australian customer will bear the bank charges. Conversely, in one instance we observed that EN had received more than the combined invoice amount. EN did not provide any explanation for this variance.

Based on the bank slip summary and the supporting documentation provided during the visit, we were able to reconcile four of the 12 selected bank charges. As identified in Section 4.5.4, a summary breakdown was not provided for two invoices and this is why the bank charges for those two transactions could not be fully verified.

Based on the above we generally consider that ET Solar's calculation of bank charges to be reasonable.

4.5.15 Accuracy of export sales – preliminary assessment

After having considered all revised information, we consider that the information in the Australian sales summary in the final spreadsheet provided by ET Solar at the visit is complete and accurate.

4.6 The exporter

The Commission will generally identify the exporter as:

- a principal in the transaction located in the country of export from where the goods were shipped who gave up responsibility by knowingly placing the goods in the

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hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia; or

- a principal will be a person in the country of export who owns, or who has previously owned, the goods but need not be the owner at the time the goods were shipped.

Where there is no principal in the country of export the Commission will normally consider the exporter to be the person who gave up responsibility for the good as described above.

EN

During the visit, ET Solar confirmed that EN is a related trading company and that EN does not manufacture the goods. EN sources the goods predominantly from TT and supplies to Australia. Therefore, we are of the opinion that EN is not the exporter of the goods.

TT

We consider that TT is the exporter of PV module or panel during the investigation period, as TT:

- is the manufacturer of majority of the goods exported to Australia;
- sets price for the sale of the goods;
- understood that the goods were being produced for export to the Australian market;
- packed the goods ready for shipping to the Australian market;
- paid the inland freight and handling costs;
- is the principal located in the country of export from where the goods are knowingly placed in the hands of a freight forwarder for delivery to Australia; and
- sent the goods for export to Australia and was aware of the identity of the purchaser of the goods.

We are satisfied that TT is the exporter of PV modules or panels to Australia from China.

4.7 The importer

EN

During the visit, ET Solar confirmed that EN predominately sources the goods from TT and supplies to the Australian customers. From the source documents provided we noted that EN :

- is not listed as the importer on the customs entry;
- is not listed as the consignee on the Bill of Lading

Consequently, we consider the EN not to be the beneficial owner of the goods at the time of importation, and therefore is not the importer.

Australian Customers

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Having reviewed the relevant information gathered at the visit, we noted that TT exported PV modules or panels to the various Australian customers' listed via EN in the export sales listing during the investigation period. Those companies respectively:

- are listed as the importers on the customs entry;
- are listed as the consignees on the Bill of Lading; and
- are invoiced by EN for the goods.

Consequently, we consider the Australian customers to be the beneficial owners of the goods at the time of importation, and therefore the importers.

4.8 Arm's length

In determining export prices under s. 269TAB(1)(a) and normal values under s. 269TAC(1), the Act requires that the relevant sales are arm's length transactions.

S.269TAA outlines the circumstances in which the price paid or payable shall not be treated as arm's length. These are where:

- there is any consideration payable for in respect of the goods other than price;
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; and
- in the opinion of the Parliamentary Secretary, the buyer, or an associate of the buyer, will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

Furthermore, where:

- goods are exported to Australia otherwise than by the importer and are purchased by the importer from the exporter (whether before or after exportation) for a particular price; and
- the Parliamentary Secretary is satisfied that the importer, whether directly or through an associate or associates, sells those goods in Australia (whether in the condition in which they were imported or otherwise) at a loss;

the Parliamentary Secretary may treat the sale of those goods at a loss as indicating that the importer or an associate of the importer will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or a part of the price.

Australian Customers

In respect of exports to Australia during the investigation period, we found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price; or
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or

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- the buyer, or an associate of the buyer, will directly or indirectly, be reimbursed, compensated or otherwise receive a benefit for, or in respect of, whole or any part of the price.

We therefore consider that all PV module or panel export sales to Australia, during the investigation period, were arm's length transactions.

4.9 Export price – preliminary assessment

During the investigation period TT exported PV modules or panels to unrelated companies listed in the Australian sales summary spreadsheet via EN. We are of the opinion that:

- the goods have been exported to Australia otherwise than by the importer; and
- the goods have not been purchased by the importer from the exporter.

Based on the above assessment, we recommend export price for these exports be established under s269TAB(1)(c) of the Act, being the price that the Minister determines having regard to all the circumstances of the exportation.

Export price calculations are at **Confidential Appendix 1**.

5 COST TO MAKE & SELL

5.1 Approach to verification

As discussed in Section 4.2 of this report, during the investigation period ET Solar produced PV modules and sold them in the domestic Chinese market and also to Australia.

In response to the exporter questionnaire, ET Solar provided detailed cost to make and Sell (CTMS) information for TT, NY and EN. ET solar also provided the Group's unaudited financial statements for FY2012 and FY2013, along with TT and NY's audited financial statements for FY2012 and FY2013 and EN's unaudited financial statements for FY2012 and FY2013.

At the visit ET Solar stated that, since the ET Solar Group and EN are not regarded as a 'Chinese business entity', as they are not incorporated in China and are not a listed on a stock exchange, the ET Solar Group and EN are not required to have their accounts audited.

As discussed in Section 2.1.4 of this report, TT predominantly purchases the major raw material (cells) from its related entity, DT. TT also purchases some cells from the Chinese domestic market and imports some cells from Taiwan. All imports are by EN, which in turn supplies TT for the production of the modules.

During the investigation period, due to an increase in demand, ET Solar also had OEM⁴ PV modules, which were sold in domestic market and also exported to Australia during the investigation period.

5.2 Poly-crystalline and mono-crystalline PV cells

We noted that the two main types (models) of PV cells used in the production of PV modules are poly-crystalline cells and mono-crystalline cells. ET Solar stated that mono-crystalline cells are more efficient (████%) than poly-crystalline, which is █████%. As such, mono-crystalline PV module costs were higher than poly-crystalline PV modules. The selling price of mono-crystalline PV modules was also higher than poly-crystalline PV modules.

ET Solar manufactured both poly-crystalline and mono-crystalline PV modules and supplied them in the Chinese domestic market and also to Australia. From the information provided we noted that ET Solar predominately exported mono-crystalline PV modules to Australia and supplied poly-crystalline PV modules in the domestic market during the investigation period.

⁴ Original Equipment Market – outsourcing the production of PV modules to other manufacturers.

5.3 Verification of production costs to audited financial statements

As discussed in Section 2.4 of this report, ET Solar provided audited financial statements for FY2013 and FY2012 for TT and NY and unaudited financial statements for EN for the FY2013 and for the FY2012.

ET Solar provided a monthly CTMS for each PV module model for all domestic sales by TT and NY and all exports to Australia by EN during the investigation period.

During the investigation period, TT was the manufacturer of the majority (approximately █%) of the PV modules that were sold in the domestic market and exported to Australia.

TT – Cost to make

At the visit we selected the month of November 2013 to verify the information provided in response to the exporter questionnaire. For all models produced during the month of November 2013, TT provided us with the cost worksheet which contained the detailed calculations that were used to prepare the CTMS spreadsheet submitted to the Commission, production cost report inventory sub-ledger and GL and income statement for the month of November 2013. We noted the monthly income statement also contained year-to-date (YTD) information (**Confidential Attachment CTMS 1** refers).

We compared value and volume in the cost worksheet with the total CTMS spreadsheet and with the inventory sub-ledger for the month of November 2013. We also compared the value of the CTMS in the cost worksheet with the monthly GL and income statement for the month of November 2013.

The total CTMS for all models was RMB █. We then selected the model █ for the month of November 2013 to examine the detailed cost to make (CTM). We compared the cost worksheet details with the inventory sub-ledger and with the CTM and did not find any discrepancy (**Confidential Attachment CTMS 2** refers).

We then compared the total YTD CTM (using the December 2013 income statement) with the GL for FY2013 and with the audited income statement for the FY2013. No variance was noted.

5.4 Verification of selling, general and administration expenses to audited financial statements

In response to the exporter questionnaire, ET Solar provided monthly CTMS for TT, NY and EN during the investigation period. From the data provided we noted that there was no difference in the CTM for the identical models of PV modules that were sold in the domestic market and that were exported to Australia. However, we noted that the selling, general and administrative (SG&A) expenses were different for the identical models that were sold in the domestic market and were exported. ET Solar stated that the difference was due to the different selling process involved, as discussed in Sections 4.3 and 6.2 of this report.

From the detailed selling process data submitted we found a minor difference in the selling process. We noted that channel 3 was most common selling process. We also

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noted that the SG&A costs per watt for NY and EN were very similar (difference of RMB [REDACTED] per watt).

TT

TT calculated SG&A expenses as a percentage of the value of domestic sales of PV modules by dividing domestic sales by the total value of sales during the investigation period (which equated to [REDACTED]%). TT then applied this percentage to the monthly selling costs, administration costs and financial costs and calculated monthly SG&A expenses. TT then divided the total SG&A for each month by the total sale volume (watts) of PV modules sold in that month (for each model) to calculate the value of SG&A per watt. TT's SG&A calculations are at **Confidential Attachment CTMS 3**.

At the visit we compared the total SG&A for FY2013, as per the CTMS spreadsheet, with the value in the audited income statement. We noted a minor variance of less than 1%, being the SG&A total value understated in the CTMS spreadsheet.

We noted that the method used by TT inflated the SG&A values where there were no (or low) volumes of sales of PV modules for a particular month, or a particular model. Therefore, we re-calculated TT's weighted average SG&A by taking [REDACTED]% of the SG&A expenses and dividing that volume (watts) of PV modules sold in the domestic market during the investigation period as RMB [REDACTED] per watt. We used the revised SG&A value and re-calculated CTMS per watt. The revised calculation is at **Confidential Attachment CTMS 4**.

NY

We noted NY used the same methodology as TT (as discussed above) to calculate NY's SG&A expenses. For the reasons discussed above, we re-calculated NY's weighted average SG&A by taking [REDACTED]% (percentage of domestic sales value divided by the total sales value of PV modules in the investigation period) of the SG&A expenses and dividing that by the volume (watts) of PV modules sold in the domestic market during the investigation period as RMB [REDACTED] per watt per month for all models. We used the revised SG&A value and re-calculated CTMS per watt. The revised calculation is at **Confidential Attachment CTMS 5**.

EN

EN also used the same methodology as TT (as discussed above) to calculate EN's SG&A expenses. For the reasons discussed above, we re-calculated EN's weighted average SG&A by taking [REDACTED]% (percentage of Australian sales value divided by the total sales value of PV modules in the investigation period) of the SG&A expenses and dividing that by the volume (watts) of PV modules exported to Australia during the investigation period as RMB [REDACTED] per watt per month for all models that were exported to Australia. We used the revised SG&A value and re-calculated CTMS per watt. The revised calculation is at **Confidential Attachment CTMS 6**.

5.5 Verification of production costs to source documents

At the visit we sought to verify the accuracy of the CTM data by reconciling it down to source documents and asked TT to demonstrate using November 2013 as an example.

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From the CTMS spreadsheet, we noted the proportion of raw materials used to manufacture PV modules during the investigation period as follows:

Raw Material	Percentage (by value)
PV cells	█
Non-silicon	█
Direct labour	█
Manufacturing overheads	█
Total	100%

We note that PV cells were the major raw material (█% of total cost of production) used in the manufacture of PV modules. Therefore a detailed verification of cost for cells was undertaken.

5.5.1 PV Cells

We selected model █ for the month of November 2013 from the CTMS spreadsheet for TT and noted the cost of cells was RMB █. We asked TT to provide us with the detailed calculation.

TT stated that it uses ‘production orders’ to withdraw cells from warehouse. TT explained that different models of PV modules are produced using the same PV cells. Therefore, for each production order, TT calculates the percentage of cells (by volume) required for a particular model of PV module. TT then calculates the cost of cells used using the percentage (by volume) to allocate the value of the cell for that model. The total cost of PV cells used to manufacture a particular model of PV module in a particular month is calculated by adding all ‘production orders’ for that month as illustrated in the example below.

Production order	PV modules Model	Volume	Percentage	Total cost of cells	Cost allocation per model
1	█	█	█	█	█
	█	█	█	█	█
	█	█	█	█	█
2	█	█	█	█	█
	█	█	█	█	█
	█	█	█	█	█
Therefore cost of cells from for the Month for model	█	█	█	█	█

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At the visit TT provided us with a detailed cell cost worksheet that contained information about cell withdrawal, allocation of cost using the above methodology, module type, cell type and production order. From this worksheet we were able to calculate the cost of cells used in the production of PV module model [REDACTED], which was same as that contained in the CTMS. A copy of the detailed cell cost worksheet is at **Confidential Attachment CTMS 7**.

At the visit, TT demonstrated to us that its software system (Kingdee K3) uses actual cost (as per the invoice value) for 'warehouse in' and uses weighted average cost to withdraw cells from the warehouse. A copy of a screenshot of the of the inventory warehouse calculation is at **Confidential Attachment CTMS 8**.

During the investigation period DT manufactured and supplied PV cells to TT. Due to high demand, TT also purchased some PV cells from other unrelated domestic companies and imported some PV cells from Taiwan.

Prior to the visit we selected the following invoices from the purchase of cells information provided in response to exporter questionnaire, and asked TT to describe the process of purchasing cells from various suppliers. We also asked TT to provide source documents to verify the accuracy of the data submitted, including purchase order, commercial invoice and proof of payment, inland freight costs, packing and source documents for any other costs associated with purchase.

	Date of Purchase	Material Type	Supplier	Quantity	Purchase Price (RMB)	Purchase Price Per Watt

At the visit, TT provided the following source documents:

- commercial invoices;
- customs clearance documents, for those cells that were imported;
- logistics commercial invoice;
- packing list;
- payment slips (for some of the selected invoices);
- 'warehouse in' details (for some of the invoices for DT); and
- purchase contracts.

These source documents are at **Confidential Attachment CTMS 9**.

We noted that, for the PV cells that were purchased from DT, it was difficult to reconcile the proof of payment. TT stated that, because DT is a related entity, TT makes bulk payments at regular intervals and does not strictly follow the terms as per the invoices.

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Therefore, we were not able to reconcile all payments made to DT by TT for the selected invoices.

We compared the purchase prices of PV cells per watt using the data provided in response to exporter questionnaire (**Confidential Attachment H-2.3** refers). We also compared the purchase price of the PV cells for 9 selected invoices as discussed above. We noted that approximately ■% of PV cells were supplied to TT by Dotec in the investigation period. We compared Dotec's prices with other unrelated suppliers of the PV cells and noted that the purchase prices were not dissimilar (**Confidential Appendix 7** refers).

For the selected invoices, TT also demonstrated to us that the actual purchase price per watt was entered into the TT's 'warehouse in' for each different type of cell. We also noted that freight costs were included in the cost of cells.

5.5.2 SG&A

TT

For the month of November 2013, we asked TT to provide us with the detailed SG&A calculations. TT provided us with the calculations and line-by-line details from its system of selling costs, administration costs and finance costs for the month of November 2013 and also for the FY2013. We noted that, for TT, there was an additional SG&A cost for 'TT Nanjing'. TT stated the TT Nanjing was mostly responsible for the selling and marketing of the PV modules. At the visit TT provided us with details of SG&A expenses for TT and TT Nanjing (**Confidential Attachment CTMS 10** refers).

From the details of SG&A provided, we selected a few line items and asked TT to provide details and explain how the costs were related to the sale of PV modules. We noted that TT included interest received from its investments in the SG&A expenses. We did not consider that the interest received was in relation to the sale of PV modules and therefore we excluded the interest income from the SG&A calculations. TT's revised SG&A calculation is at **Confidential Attachment CTMS 4**.

NY

NY provided us with the calculations and line-by-line details from its system of selling costs, administration costs and finance costs also for the FY2013. We noted that NY also included interest received from its investments in its SG&A expenses. We did not consider that the interest received was in relation to the sale of PV modules and therefore we excluded the interest income from the SG&A calculations. NY's revised SG&A calculations are at **Confidential Attachment CTMS 5**.

EN

EN provided us with the calculations and line-by-line details from its system of selling costs, administration costs and finance costs also for the FY2013. We noted that EN also included interest received from its investments in its SG&A expenses. We did not consider that the interest received was in relation to the sale of PV modules and therefore we excluded the interest income from the SG&A calculations. EN's revised SG&A calculations are at **Confidential Attachment CTMS 6**.

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5.5.3 Depreciation

From the CTMS spreadsheet we selected manufacturing overheads for the month of October 2013 and noted the depreciation value was recorded as part of the manufacturing overhead. At the visited TT provided us with its fixed asset register. A copy of TT's fixed asset register is at **Confidential Attachment CTMS 11**.

We noted that the value of the depreciation expense calculated for the month of November 2013 matched the records in the fixed asset register. TT stated that it uses the straight line depreciation method.

From the fixed asset register provided, we noted that the depreciation schedule contained manufacturing assets depreciation, sales asset depreciation, administration expense depreciation and R&D expenses depreciation. We selected two manufacturing items: electrical equipment's air conditioner and Testing equipment. We noted that TT used the straight line depreciation method to calculate the depreciation expenses for both items over 60 months.

A copy of TT's Depreciation schedule and calculation is at **Confidential Attachment CTMS 12**.

5.6 Costs to make and sell – conclusion

Having verified TT's CTMS, NY's cost to sell and EN's cost to sell PV modules or panels to audited financial accounts and down to source documents, we are satisfied that it is complete, relevant and accurate.

TT, NY and EN's verified CTMS of PV modules or panel's spreadsheet is at **Confidential Appendix 3**.

6 DOMESTIC SALES

6.1 General

During the visit, ET Solar advised that its major competitors in the Chinese domestic market are

[REDACTED]

ET Solar estimated that its market share is around [REDACTED] %.

As discussed in Section 2.1.1 of this report TT manufactures PV modules and, when it does not have the capacity to meet demand, TT outsources a portion of its production to domestic (unrelated) OEM suppliers. During the investigation period, there were three outsourced manufacturers used by TT, [REDACTED], [REDACTED] and [REDACTED].

We also noted that NY purchased PV modules from 4 different OEM suppliers during the same period namely [REDACTED], [REDACTED], [REDACTED] and [REDACTED].

During the investigation period, TT sold the goods to domestic customers both directly and via its related trading entity, NY. The goods were provided to domestic customers via four different channels:

- Channel 1 –

[REDACTED]; or [REDACTED]

- Channel 2 –

[REDACTED]; or [REDACTED]

- Channel 3 –

[REDACTED]; or [REDACTED]

- Channel 4 –

[REDACTED].

The goods are manufactured by TT (approximately [REDACTED]%) and generally sold to domestic customers by NY through Channel 3, although ET Solar explained that goods might also be sold by TT directly to the domestic customer (Channel 4), if that customer prefers to trade with the manufacturer.

While assessing the documentation provided to support 12 selected domestic transactions (Section 6.4 refers), we also identified a fifth channel – goods manufactured by OEM suppliers are sold to NY, sold to TT, and then sold to domestic customers. ET Solar subsequently revised the domestic sales flowchart originally provided with the response to the exporter questionnaire to reflect this change (**Confidential Attachment DOM 1** refers). ET Solar advised this channel is rarely used.

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6.2 Domestic sales process

ET Solar explained the domestic sales process in relation to PV modules as follows:

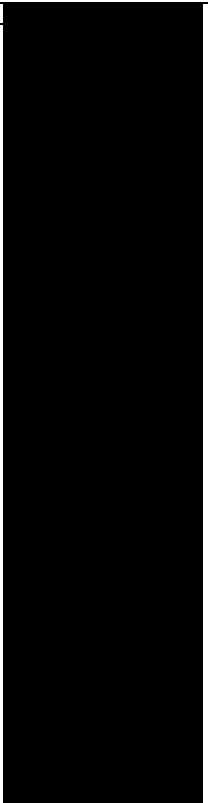
Channel 1	Channel 2	Channel 3	Channel 4
			

Table 3: comparison of the domestic sales process for PV modules

[Domestic sales process]

During the visit, ET Solar advised that it will only issue the invoice after payment has been made by the domestic customer; however, we observed that this is not wholly consistent with the data and documentation provided, which indicates that the issuing of invoices, compared to payment, varies considerably between transactions.

6.2.1 Pricing

ET Solar advised that [REDACTED] may have an effect on price. For example,

[REDACTED]

When comparing the prices offered to domestic customers by TT and by NY, ET Solar advised there should be no difference. The company also claimed that it offers distributors a lower price, compared to end-users, so that distributors can maintain a profit. ET Solar claimed this is market practice. However, given ET Solar further advised that prices can vary considerably depending on the timing, market demand, customer and quantity ordered, we did not find any evidence to support ET Solar's claims.

Regarding internal pricing between TT and NY, ET Solar stated that the price between TT and NY was based on the market price. This is further discussed in section 6.5 of this report.

6.2.2 Discounts, rebates and commissions

ET Solar stated that it does not provide any discounts, rebates or commissions in relation to the goods sold to its domestic customers. When reviewing the documentations provided, we did not find any evidence that suggests otherwise.

6.3 Domestic sales data provided

In its response to the exporter questionnaire, ET Solar provided two detailed spreadsheet listings of TT and NY's domestic sales of PV modules on a line-by-line basis (also referred to as the domestic sales listings). These domestic sales listings are at **Confidential Attachments DOM 2 and 3** for TT and NY respectively.

The domestic sales listings included the following information:

- customer name and code;
- level of trade;
- product details (model/type, code, name, grade);
- invoice number and date;
- sale date;
- payment date;
- shipping and payment terms;
- quantity (pieces);
- power output (watts);
- invoice value (RMB);
- inland transport and insurance; and
- credit expenses.

Prior to the visit, we requested that ET Solar provide additional information in the NY and TT domestic sales spreadsheets, such as whether the modules were produced by TT or

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purchased by TT, and (if purchased) from which OEM supplier. ET Solar subsequently provided this information. ET Solar also provided an additional spreadsheet outlining all sales between TT and NY during the investigation period (**Confidential Attachment DOM 4** refers).

From the domestic sales listings, we noted that all sales were listed at delivery terms of [REDACTED] or '[REDACTED]' and in the currency of RMB. We also observed that payment terms vary, depending on the customer. These terms range from cash to [REDACTED]% within [REDACTED] days upon the arrival of goods ([REDACTED]-day acceptance bill).

6.3.1 Turnover

In addition to the sales listings outlined above, ET Solar also submitted two *Turnover* spreadsheets for TT and NY respectively that reported the aggregate sales value of domestic, Australian and third country export sales (where applicable), at the whole company level and for the goods and like goods themselves. These *Turnover* sheets form **Confidential Attachments DOM 5 and 6**.

6.3.2 Domestic sales volume

The domestic sales listings for TT and NY indicate that ET Solar sold [REDACTED] PV modules to domestic customers during the investigation period, worth [REDACTED] watts and valued at RMB [REDACTED]. We noted that sales made by NY comprised approximately [REDACTED]% of these total domestic sales by TT and NY collectively.

6.4 Verification of sales to source documents

In order to verify the accuracy of ET Solar's domestic sales listings, we selected 12 domestic sales transactions for verification to source documents (covering multiple models over different quarters during the investigation period). These transactions included nine shipments for TT and three shipments for NY. Prior to the visit, ET Solar was requested to provide the following source documents for the selected domestic sales:

- purchase order;
- order confirmation;
- commercial invoice (or other evidence of sale/transfer if invoices were not issued) between (where relevant):
 - NY and the domestic customer;
 - TT and the domestic customer;
 - TT and NY;
 - OEM suppliers and TT;
 - OEM suppliers and NY;
- evidence of payment for the above sales/transfers; and
- inland freight invoice (and evidence of related payment).

During the visit, ET Solar provided copies of the following documents, which form **Confidential Attachment DOM 7**:

- sale and purchase contract;

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- commercial invoice between (where relevant):
 - NY and the domestic customer;
 - TT and the domestic customer;
 - TT and NY;
 - OEM suppliers and TT;
 - OEM suppliers and NY;
- evidence of payment for the above sales/transfers;
- inland freight invoice; and
- inland freight insurance invoice.

We note that documentation provided for different transactions varied. We were not able to verify and match the sales information in the source documents to the domestic sales listings in all cases. This is discussed in more detail at Sections 6.4.1 to 6.4.6.

6.4.1 Customer invoices

For the 12 selected sales between ET Solar and its domestic customers, we were able to match details in the domestic sales listings against the relevant customer invoice for all selected NY transactions and only six of the nine TT transactions.

For the three NY transactions, we were able to match key items such as model, invoice number, invoice date, quantity (pieces) and gross invoice value. We manually checked power output by reference to the module rated power output and the corresponding quantity (pieces). We did not find any discrepancy.

For the nine TT transactions, we noted that one shipment had 'NA' recorded as the invoice number in the domestic sales listing and that no invoice had been provided. ET Solar stated that [REDACTED] had purchased the goods, but another company [REDACTED] was to make payment on its behalf. TT has not issued an invoice because the agreement with [REDACTED] and [REDACTED] is not finalised. ET Solar provided us with a copy of this agreement (**Confidential Attachment DOM 8**), from which we observed that TT has not provided a company seal. We noted under this agreement that [REDACTED] was to replace [REDACTED] and enjoy the rights and benefits and bear the obligations and responsibilities under that contract (noting that the contract reference in the agreement matched the sale contract provided by ET Solar). However, we also noted that the agreement specified that Shenzhen was to be exempt from 1 January 2014, while this transaction was in 2013.

For the remaining eight TT transactions, we could not verify the quantity (pieces) and gross invoice amount for three shipments using the invoice documents provided. During the visit, we discussed this issue with ET Solar and the company subsequently provided extracts from its Kingdee system which divided the invoice amounts down into further line items (**Confidential Attachment DOM 9** refers). From these line items, we were able to verify the model, product code, date of sale, quantity (pieces) and gross invoice amount for all eight selected transactions. The individual line items could be matched to the domestic sales listing using the designated order number. However, it is not clear why the Kingdee system is different to the invoices in some instances.

For the three shipments that could not be verified directly to the invoice documents, we noted that the *total* amounts in the extracts from the Kingdee system could be reconciled

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back to the invoices provided for only one instance. In another sample we could only reconcile the total gross invoice amount but not quantity.

Overall, we observed that data pertaining to four of the selected transactions for TT were related to multiple invoices. TT did not provide any explanation. We noted that all transactions in the NY domestic sales listing related to a single invoice only.

We noted that ET Solar's invoices to domestic customers were all priced in RMB, with the exception of one transaction for '████████████████████' which was priced in USD and included a packing list. ET Solar stated that this shipment was an export sale to Japan; however, in accordance with the EXW delivery terms, ██████'s branch in Shanghai had arranged for DHL to pick the goods up from TT. Because there was no customs clearance in the accounting system, the transaction had been classified as a domestic sale. At the visit it was decided that this shipment should be excluded from the domestic data, given it does not relate to a domestic customer. We have confirmed that there are no other transactions relating to ██████ in the domestic sales listings for either TT or NY.

6.4.2 TT - Supply invoices

ET Solar provided copies of internal invoicing between TT and NY for those transactions where NY purchased via Channel 3 (Section 6.1 refers). We could not clearly match the quantity (pieces) in these invoices to the domestic sales listing or to the customer invoices provided. At the visit, ET Solar stated that this might be because internal invoicing relates to multiple transactions for the customer.

For one transaction, we observed there was a ██████ month difference between the date of the internal invoice and the date of the customer invoice. We note this was not consistent with the associated purchase contract provided, which is dated approximately a month before the sale to the customer.

ET Solar advised during the visit that payment terms between TT and NY may be lengthy and payment can be dependent on NY's cash flow. From the bank slip ET Solar provided for one transaction, we noted that payment occurred within three months of invoice.

6.4.3 OEM suppliers

We observed that three of the nine selected transactions for TT related to goods purchased from OEM suppliers. For one of these transactions (the only transaction to be identified as Channel 5, Section 6.1 refers) we note that NY has purchased the goods from

████████████████████. No documentation has been provided by ET Solar to support NY's purchase from this supplier, although documentation has been provided to support TT's subsequent purchase from NY. From this documentation, we observed that TT purchased a number of pieces from NY (████████) across 25 invoices. We requested and ET Solar provided a 'sales product list', although it itemises only a portion of those pieces (████████). From this list we were able to match the product code, model and quantity (pieces) with the domestic sales listing. Although the total quantity in the 'product list' is considerably less than the combined invoices, we were able to link the relevant line item in the 'product list' to the domestic sales listing using the order number.

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For the second transaction where goods have been purchased from the OEM supplier Harvest, we observed that TT's import agent ([REDACTED]) purchased the goods. We note that the quantity (pieces) and module rated power output do not match the domestic sales listing. No further documentation was provided to verify this transaction.

ET Solar advised that the third transaction with [REDACTED] did not involve a movement of goods (this is why no inland freight costs were recorded, even though the shipment was designated as 'deliver to customer designated site'). Specifically, ET Solar advised that TT owed money to [REDACTED], but did not have the required cash. As a result, this transaction was created to enable TT to have a letter of credit with [REDACTED]. ET Solar described this as a 'once-off' transaction. During the visit it was decided that this shipment should be excluded from the data, given it did not relate to a movement of goods.

6.4.4 Proof of payment

NY to TT

We were able to verify the payment made by NY to TT for the selected invoices. At the visit, ET Solar stated that it was unable to provide a summary of each payment.

ET Solar also stated that as NY and TT were related, the payments terms was based on the cash flow position of NY and not strictly based on the terms as per the invoice. ET Solar also stated that bulk payments were made on regular basis by NY to TT.

As a result, we were not able to link the evidence of payment to the invoices.

Unrelated customers

At the visit ET Solar provide evidence of payment for the selected domestic transactions. From these 'bank slips' and 'agreements of charge', we observed that a number of transactions appeared to have multiple payments, with those payments relating to different transactions.

We were able to verify the payment of three transactions (noting that one of these was removed from the domestic sales listing, per discussion at Section 6.4.1). Unlike Australian export sales (Section 4.6.4 refers); ET Solar advised that it was unable to provide a summary of each payment. As a result, we were not able to link the evidence of payment to the invoices.

Taking into account the issues outlined above, we were not able to verify with certainty that the price paid for the goods is the amount shown in the commercial invoices.

Therefore based on the above findings, we are not satisfied that the price paid for the goods is the amount shown in the commercial invoices.

6.4.5 Inland freight

We observed that ET Solar recorded inland freight costs in its domestic sales listings for those transactions that were 'deliver to customer designated site'. Furthermore as discussed in section 6.46.4.5, ET Solar amended its two domestic sales listings to exclude VAT which were erroneously included in domestic inland freight costs.

As discussed in Section 6.4.5, ET Solar explained that freight invoices are issued by the supplier each month for multiple deliveries, although these can vary if the carrier requires early payment. During the visit, ET Solar advised that calculation of inland freight costs differs between the two domestic sales listings for TT and NY as discussed below.

TT

Inland freight costs in the domestic sales listing for TT have been calculated on a per watt basis. Specifically, ET Solar confirmed that the supply chain manager will divide the total freight amount invoiced by the number of watts relevant to that invoice. ET Solar advised that sometimes there might be seasonal factors that affect the price. For example transport will cost more around Christmas and New Year.

We note that only one of the nine selected transactions for TT included inland freight costs, relating to goods provided to [REDACTED]. We confirmed from the freight invoices provided by ET Solar for this transaction that NY (not TT) is the payer and consigner. At the visit, ET Solar stated that TT requested NY to take care of transport.

From the domestic sales listing, we also noted that inland freight was calculated for all [REDACTED] transactions by multiplying the relevant power output (watts) by [REDACTED]. Using the freight 'invoice list' provided by ET Solar, we verified that the total pieces in that list equal the total number of pieces for all [REDACTED] transactions during the investigation period, as contained in the domestic sales listing. There was a difference of RMB [REDACTED] for the total freight cost. We consider this difference was not material. Furthermore ET Solar stated that one of the three invoices included freight for another customer, however we were not able to verify the calculation of [REDACTED] (VAT inclusive) used in the domestic sales listing. We noted that a calculation using all 'Shenzhen' transactions in the domestic sales listing would equate to inland freight of RMB [REDACTED] per watt (VAT inclusive).

As a general observation, we note from the domestic sales listing that ET Solar has used a different formula to calculate inland freight costs for domestic sales to [REDACTED] using the relevant quantity (pieces) multiplied by [REDACTED]. ET solar did not provide any explanation as why a different methodology was used for [REDACTED] compared to [REDACTED].

Therefore based on the above discussions we do not consider TT's calculation of domestic inland freight to be reasonable.

NY

All three transactions selected for NY included inland freight costs. ET Solar provided invoices to support freight costs for all those transactions. We confirmed from the

invoices issued by the carrier that NY was identified as the payee and consigner in all instances.

As the freight invoices related to multiple shipments, at the visit ET Solar also provided further documentation to support one transaction, including a 'freight invoice list' extracted from the Kingdee system. We were unable to verify the freight costs in the domestic sales listing for the remaining two transactions based on the freight invoices alone.

From the documentation provided, as well as the domestic sales listing, we noted that per watt freight costs were calculated by dividing the total amount of freight relevant to the sale contract with the domestic customer, by the total watt output for that contract. The per watt amount has then been multiplied by the power output for each transaction to calculate freight costs for individual line items in the domestic sales listing. Based on the sales invoice list provided by NY for the contract relevant to the selected transaction, we noted that the calculation included shipments that were outside of the investigation period (and are therefore not included in the domestic sales listing). We were able to match our calculation for the selected transaction (based on the documentation provided) with the domestic sales listing.

Therefore, we consider that ET Solar's calculation of domestic inland freight for NY to be reasonable in the circumstances.

6.4.5.1 Inland freight insurance

Discussion regarding inland freight insurance (including issues pertaining to the contract with ■■■) is provided at Section 6.4.5.16.4.5.1 of this report. As discussed, the insurance costs are invoiced monthly by ■■■ and include insurance payments relevant to multiple transactions.

At the visit, ET Solar provided documentation to support inland freight insurance costs for two transactions (one for TT and one for NY). In addition to the invoices, ET Solar provided an associated listing of all insurance payments that comprised the total invoice amount.

From the domestic sales listings we noted that ET Solar has derived inland freight insurance costs using the following formula:

$$\text{net invoice value (RMB)} \times \text{■■■}\%$$

The insurance listings provided to support the invoices confirm that insurance costs are calculated by multiplying the 'insured amount' by ■■■%, although we were unable to match the line item quantities (pieces) identified in the insurance listings to the selected transactions in the domestic sales listings.

For the NY transaction, ET Solar highlighted the insurance payments relevant to the transaction based on the destination, noting there was no invoice reference. No identification of the relevant payments was made in the documentation provided for the TT transaction. We also noted that the total quantity of the shipments highlighted by ET Solar matched the total quantity in the freight invoice list. This roughly matched the sales contract, noting that 15 pieces, in addition to the contract amount, were actually provided by NY. At the visit, ET Solar stated that this is undertaken to provide 'spares' in case of breakage. Because of this, we were unable to match exactly the total 'insured amount'

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for the items highlighted in the insurance listing to the VAT inclusive value in the sales contract, although it appears likely that the insured amount is based on this figure.

In assessing the documentation provided to support the insurance costs for transactions where freight was applicable, we consider that the calculations in the domestic sales listings are reasonable.

6.4.6 Credit expense

We observed from the domestic sales listings that ET Solar has submitted credit calculations for each transaction as follows:

$$\left[\frac{\text{Net invoice value} \times (\text{date of payment} - \text{invoice date})}{365} \right] \times 5.6\%$$

We consider the calculation in the domestic sales listing is reasonable.

6.4.7 Accuracy of domestic sales

Based on above discussions, we are not satisfied that the revised domestic sales listings provided by TT and NY are an accurate record of ET Solar's domestic sales of the PV modules or panels during the investigation period. The revised domestic sales data and analysis is at **Confidential Appendix 2**.

Section 269TAC(1) of the Act states that '*subject to this section, for the purpose of this Part, the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods*' **[emphasis added]**.

As we found that the domestic sales data provided by ET Solar was not reliable, in accordance with section 269TAC(1) of the Act, we considered using the weighted average domestic selling price (per watt) of the other three selected exporters cooperating in this investigation with the domestic selling price (per watt) of ET Solar for each quarter of the investigation period for mono-crystalline PV modules and for poly-crystalline PV modules. In comparing this weighted average price with ET Solar's weighted average domestic selling price as presented in its questionnaire response, we found that, except in respect of quarter two of 2013 for poly-crystalline PV modules, the weighted average domestic selling price of the three selected exporters was lower than ET Solar's domestic selling price (**Confidential Appendix 8** refers).

Therefore, even though we are not fully satisfied with the domestic selling data provided by ET Solar, we consider that using the domestic selling data provided by ET Solar does not offer any advantage to ET Solar when compared with the alternative method available under the Act.

Based on the above, we used the domestic selling data provided by ET Solar to calculate the normal value as detailed in section 10 of this report.

6.5 Arm's length

Unrelated Customers

In respect of domestic sales to unrelated customers during the investigation period, we found no evidence that:

- there is any consideration payable for, or in respect of, the PV modules or panels other than their price; or
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, will directly or indirectly, be reimbursed, compensated or otherwise receive a benefit for, or in respect of, whole or any part of the price.

We therefore consider that all domestic sales to unrelated parties during the investigation period were arm's length transactions.

6.6 Volume of sales and ordinary course of trade

6.6.1 Ordinary course of trade

Section 269TAAD of the Act provides that if like goods are sold in the country of export at a price less than the cost of such goods, and are unrecoverable within a reasonable period, they are taken not to have been sold in the ordinary course of trade (OCOT).

In order to test whether the domestic sales are in the OCOT, we first combined all domestic sales by TT and NY to unrelated customers into a single spreadsheet. We then calculated the profitability of each unrelated sales transaction individually by comparing the unit selling price to the corresponding monthly weighted average CTMS of TT and NY.

Where the volume of unprofitable sales exceeded 20% for the product code, we then tested the recoverability of the unprofitable sales by comparing the unit selling price to the corresponding weighted average CTMS over the whole of the investigation period. Those sales found to be unrecoverable were deemed not to be in the OCOT.

6.6.2 Sufficient volumes

Subsection 269TAC(2) provides that certain domestic sales may be unsuitable for use in determining normal values because of a factor in the market. One such factor is where there is an absence, or low volume, of sales of like goods in the domestic market. Low volume is defined in subsection 269TAC(14) as less than 5% of the total volume of the goods that are exported to Australia by the exporter.

Two types of PV modules exported to Australia and sold in the domestic market were poly-crystalline and mono-crystalline PV modules. From our OCOT test, as discussed in Section **Error! Reference source not found.** above, we noted that a sufficient volume (█%) of poly-crystalline PV modules was sold in the domestic market in the OCOT.

For mono-crystalline PV modules, we noted that (except for one model (██████)), an insufficient volume was sold in the domestic market in the OCOT. Therefore, we constructed the normal value for the mono-crystalline PV modules in accordance with section 269TAC(2) of the Act as discussed in Section 10 of this report.

6.7 Profit

As discussed in section **Error! Reference source not found.**, for mono-crystalline PV modules, there were insufficient domestic sales of comparable models to ascertain normal values using domestic selling prices. Therefore, we consider that normal values for mono-crystalline PV modules should be based on constructed costs and an amount for profit.

Regulation 181A(2) sets out the manner in which the Minister must work out an amount of profit.

Subregulation 2 states that “...*the Minister must, if reasonably possible, work out the amount by using data relating to the production and sale of like goods by the exporter or producer of the goods in the ordinary course of trade.*”

We calculated the profitability of domestic sales of PV modules or panels by comparing the selling price with the corresponding quarterly CTMS. In calculating the profit, we have only included domestic sales made in the ordinary course of trade.

The profitability of domestic sales of like goods made in the ordinary course of trade during the investigation period was █████%.

The profit calculation is at **Confidential Appendix 6**.

6.8 Conclusion

We found that the domestic sales data provided by ET Solar was unreliable as detailed in Section 6.4.7 of this report. Furthermore, we also consider that using the domestic selling data provided by ET Solar provides a higher normal value than compared to the weighted average domestic selling price of the other three exporters cooperating in this investigation. Therefore, we used the domestic selling data provided by ET Solar to calculate the normal value for poly-crystalline PV modules in accordance with section 269TAC(1) of the Act.

We also found that insufficient volume of mono-crystalline PV modules was sold in the domestic market in the investigation period. Therefore, we constructed the normal value for mono-crystalline PV modules in accordance with section 269TAC(2) of the Act.

7 THIRD COUNTRY SALES

In its response to the exporter questionnaire, ET Solar provided a summary of exports of PV modules or panels to third countries.

We verified the information provided in response to the exporter questionnaire and the information provided at the visit to calculate the normal value for PV modules or panels using the cost data.

From the data provided, we noted that there are no third countries with 'similar' sales volumes or 'trading' conditions.

Therefore, while we verified the total volume and value of PV modules or panels sales to third countries as part of the sales reconciliation process, we did not undertake any further verification.

Verification of total third country sales is at **Confidential Attachment EXP 15**.

8 MARKET SITUATION

In its application Tindo alleged that the Government of China's (GOC's) involvement in the Chinese domestic PV modules or panels industry has materially distorted competitive conditions in China. Tindo alleged that the GOC provided 'policy loans' and credit facilities through the state owned Chinese banks at preferential rates that do not take into account commercial risk and prudential lending practices that otherwise apply in the Chinese capital credit market. This has resulted in a particular market situation (market situation) making PV modules or panels prices in the Chinese domestic market unsuitable for the normal value purposes. Tindo alleges that, as a consequence of these 'policy loans', prices of PV modules or panels are artificially low to the extent that domestic and export sales are unprofitable.

In its response to the exporter questionnaire, ET Solar provided detailed responses regarding market situation claims. At the visit ET Solar stated that it has not received any loans or advances from any financial institution at a discounted rate. From the information provided, we noted that the interest rate on ET solar borrowing was between 5.6% to 6.55% (**Confidential Attachment EXP 14** refers).

At the visit ET Solar also stated that in an effort to promote clean energy, the GOC provided policies to encourage the use of renewable energy such as solar panels. These policies are as follows:

- (i) *guidance for the selected national demonstration zones of PV distributed generation by the National Development and Reform Commission (NDRC).*

In June 2013 the NDRC released the annual guidance for the selected national demonstration zones of PV distributed generation. The guidance confirmed a feed-in-tariff (FIT) or the subsidised price is carried out generally for 20 years when the PV power generation project has been put into operatio.

- (ii) *In August 2013 the NDRC, confirmed the benchmarking of FIT level for ground-mounted PV plants in China. The FIT subsidy ranges from CNY0.9/kWh to CNY1.0/kWh for three areas varied by different solar radiation condition as summarised in the table below.*

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Area	Price (Unit:Yuan/ kWh(VAT Incl.)	Regions in each area
Area I	0.90	Ningxia, Haixi(Qinghai), Jiayuguan(Gansu), Wuwei(Gansu), Zhangye(Gansu), Jiuquan(Gansu), Dunhuang(Gansu), Jinchang(Gansu), Hami(Sinkiang), Tacheng(Sinkiang), Altay(Sinkiang), Karamay(Sinkiang), Nei Monggol(Except for Chifeng, Tongliao, Xing'an,Hulun Buir)
Area II	0.95	Beijing, Tianjin, Heilongjiang, Jilin, Liaoning, Sichuan, Yunnan, All regions of Chifeng(Nei Monggol), Tongliao(Nei Monggol), Xing'an(Nei Monggol), Hunlun Beir(Nei Monggol), Chengde(Hebei), Zhangjiakou(Hebei), Tangshan(Hebei), Qinhuangdao(Hebei), Datong(Shanxi), Shuozhou(Shanxi), Yizhou(Shanxi), Yulin(Shaanxi), Yan'an(Shaanxi), Qinghai, Gansu, Sinkiang. (Except the regions classified in Area I)
Area III	1.0	All other regions except regions listed in Area I and II.

- (iii) *On 23 September 2013, the Ministry of Finance State Administration of Taxation of China announced that with a view to encourage the use of solar energy in power generation, and promoting the healthy development of related industries - from October 1, 2013 to December 31, 2015, taxpayers that sell electric power products manufactured by them with solar energy shall enjoy the policy of immediate refund of 50% of the VAT levied.*

A copy of GOC policies is at **Non-Confidential Attachment GEN 12.**

9 ADJUSTMENTS

To ensure that the normal value was comparable to the Australian export price, the following adjustments were made.

9.1 Export inland freight

As discussed in Section 5.5.2 of this report, the SG&A expense excluded inland transport charges. Therefore, we made an upwards adjustment to the CTMS using the weighted average inland transport costs (per watt) from the export sales transactions in the investigation period.

9.2 TT SG&A

From the data provided, we noted that approximately █% of the domestic sales were by TT. All exports to Australia were through a trading company EN in the investigation period

We noted that the SG&A expense for NY was RMB █ per watt, while for EN was RMB █ per watt. Therefore we made an upward adjustment of RMB █ per watt to all domestic sales by TT.

9.3 NY SG&A

From the data provided, we noted that approximately █% of the domestic sales were by NY. All exports to Australia were by EN in the investigation period

We noted that the SG&A expense for NY was RMB █ per watt, while for EN was RMB █ per watt. Therefore we made an upward adjustment of RMB █ per watt to all domestic sales by NY.

9.4 Level of trade

In response to the exporter questionnaire, ET Solar claimed that the selling price to the 'end user' was higher than that to 'distributors'. We note that all Australian sales in the investigation period were to the 'distributors', while domestic sales were to 'distributors' and 'end-users'. Therefore, ET Solar claims that a level of trade adjustment should be made to the domestic sales in order to adjust the sales price to 'end-users' to the sales price to 'distributors'.

From the domestic sales, we found a minor variance in the selling prices to the end-users and to distributors. At the visit we asked ET Solar to demonstrate to us how the selling price to the end-users was different to the distributors. ET Solar provided us with a detailed analysis of the domestic sales of PV modules by grade (grades A and B) and level of trade (**Confidential Attachment DOM 10** refers). From the detailed analysis, we noted a minor variance (RMB █) between the selling prices to end-users and the distributors.

Based on the above no adjustment was made for level of trade.

9.5 Credit Terms

We noted that domestic sales by TT and NY to unrelated customers have approximately [REDACTED] day payment terms from the date of invoice. In most cases a pre-payment between [REDACTED]% and [REDACTED]% is required at the time of placing order. For new customers, [REDACTED]% advance payment is required.

Exports to Australia by EN had [REDACTED] day payment terms from the bill of lading date for a majority of its Australian customers.

Since the majority of domestic and export sales (by volume) have very similar credit terms, and also considering that in most cases between [REDACTED]% and [REDACTED]% of pre-payment is required at the time the order is placed, no credit term adjustments has been made. ET Solar has also not claimed any credit term adjustment.

10 NORMAL VALUE

As noted in this report, NY is a domestic trading company related to TT. All PV modules sold in the domestic market by NY were predominantly manufactured and supplied by TT during the investigation period. Some PV modules sold by NY were supplied by OEM manufacturers in the investigation period.

Poly-crystalline PV Modules

As discussed in section 6.4.1 and 6.6.2 of this report, we used the domestic sales data provided by the Company to determine the normal value of poly-crystalline PV modules under subsection 269TAC(1) of the Act. We noted that for Quarters 3 and 4 2012 and Quarter 1 2013 there were no sales in the domestic market for the poly-crystalline PV modules (model ████████). We also noted that the selling prices of for this model were less than the CTMS for those quarters. Therefore, for quarters 3 and 4 2012 and quarter 1 2013, we used the actual CTMS and made no further adjustments. For Quarters 2,3 and 4 2013 normal value was compared to the export price by making appropriate adjustments for differences in SG&A between domestic and export and export inland freight (to FOB point) as discussed in section 9 of this report.

Mono-crystalline PV Modules

We found that insufficient volume of mono-crystalline PV modules was sold in the domestic market in the investigation period as detailed in section 6.6.2 of this report.

Section 269TAC(2)(a)(i) states that 'where the Minister is satisfied that because of the absence, or low volume, sales of like goods in the market of the country of export *that would be relevant* for the purpose of determining a price under subsection (1)...' **[Emphasis added]**, the Minister may construct the normal value of those goods.

Therefore, we constructed the normal value for mono-crystalline PV modules in accordance with section 269TAC(2) (c) of the Act.

We assumed that the mono-crystalline PV modules, instead of being exported, were sold domestically in accordance with subsection s.269TAC(2)(c) of the Act. The constructed normal value was comparable to an export price by making any appropriate adjustments for differences in SG&A between domestic and export as discussed in section 9 of this report. We also found that CTMS expenses did not include inland transport costs. Therefore we added inland transport costs from the manufacturer to the shipping port using the inland transport costs to FOB point for all exports to Australia divided by the quantity exported to Australia. We also added a rate of profit, as discussed in Section 6.7 above this report.

In using a CTMS as the basis for normal values, we consider that certain adjustments, in accordance with subsection 269TAC(9), are necessary to ensure fair comparison of normal values with export prices, as outlined in Chapter 9 **Error! Reference source not found.**

The normal value calculations are at **Confidential Appendix 4.**

11 DUMPING MARGIN

In calculating the dumping margin, we compared the weighted average export price over the investigation period with the monthly corresponding normal value for the corresponding model of PV modules or panels over the investigation period, in accordance with subsection 269TACB(2)(a).

The weighted average product dumping margin for PV modules or panels exported to Australia in the investigation period by ET Solar is **3.6%**.

The dumping margin calculation is at **Confidential Appendix 5**.

12 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Australian sales
Confidential Appendix 2	Domestic sales
Confidential Appendix 3	CTMS
Confidential Appendix 4	Normal value
Confidential Appendix 5	Dumping Margin
Confidential Appendix 6	Profit calculation
Confidential Appendix 7	Assessment of purchase of cells
Confidential Appendix 8	Assessment of domestic selling prices
Confidential Attachment GEN 1	Response to exporter questionnaire
Confidential Attachment GEN 2	Visit agenda
Confidential Attachment GEN 3	ET Solar's group structure
Non-Confidential Attachment GEN 4	Copy of company presentation
Non-Confidential Attachment GEN 5	EU Standard VDE
Confidential Attachment GEN 6	Bloomberg 'Tier 1' list of companies
Confidential Attachment GEN 7	ET Solar Australia Pty Ltd – certificate of registration
Confidential Attachment GEN 8	ET Solar group ownership structure
Confidential Attachment GEN 9	TT's and NY's audited financial statements for FY2012 and FY2013
Confidential Attachment GEN 10	EN's unaudited financial statements for FY2012 and FY2013
Confidential Attachment GEN 11	TT and DT production processes
Non - Confidential Attachment GEN 12	GOC Solar Panel Policy

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Confidential Attachment EXP 1	Asia-pacific price guideline, dated 15 January 2013
Confidential Attachment EXP 2	Export sales listing
Confidential Attachment EXP 3	EN <i>Turnover</i> statement
Confidential Attachment EXP 4	Revised <i>Turnover</i> , domestic sales and export sales data for each of the three entities TT, NY and EN
Confidential Attachment EXP 5	TT's, NY's and EN's monthly GL, trial balance and income statements for the FY2013
Confidential Attachment EXP 6	Certificate from Nanjing Solestone
Confidential Attachment EXP 7	Sales details to Nanjing Solestone
Confidential Attachment EXP 8	Supporting documentation for 12 selected export transactions
Confidential Attachment EXP 9	Bank slip details
Confidential Attachment EXP 10	Inland transport contract – Jihai
Confidential Attachment EXP 11	Inland transport contract – Ruifeng
Confidential Attachment EXP 12	AXA insurance certificate (translated)
Confidential Attachment EXP 13	AXA insurance certificate (Chinese)
Confidential Attachment EXP 14	Copy of 'loan interest rate form' dated 6 July 2012 from the People's Bank of China
Confidential Attachment EXP 15	Third country sales data
Confidential Attachment CTMS 1	TT's Cost Worksheet and production cost report inventory sub-ledger and GL and income statement for the month of November 2013
Confidential Attachment CTMS 2	TT's Cost Reconciliation

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Confidential Attachment CTMS 3	TT's SG&A worksheet and reconciliation to GL
Confidential Attachment CTMS 4	Revised TT's SG&A calculations
Confidential Attachment CTMS 5	Revised NY's SG&A calculations
Confidential Attachment CTMS 6	Revised EN's SG&A calculations
Confidential Attachment CTMS 7	Detailed cell cost worksheet for M660250
Confidential Attachment CTMS 8	Screenshot of the inventory warehouse calculation
Confidential Attachment CTMS 9	Nine selected purchase of cells transactions
Confidential Attachment CTMS 10	Details of SG&A expenses of TT and TT Nanjing
Confidential Attachment CTMS 11	TT's fixed asset register
Confidential Attachment CTMS 12	TT's depreciation schedule and calculation
Confidential Attachment DOM 1	Revised domestic sales flow chart
Confidential Attachment DOM 2	TT domestic sales listing
Confidential Attachment DOM 3	NY domestic sales listing
Confidential Attachment DOM 4	TT sales to NY
Confidential Attachment DOM 5	TT <i>Turnover</i> statement
Confidential Attachment DOM 6	NY <i>Turnover</i> statement
Confidential Attachment DOM 7	Supporting documentation for 12 selected domestic transactions
Confidential Attachment DOM 8	Copy of 'agreement for payment' between TT, Shenzhen and Changzhou Future
Confidential Attachment DOM 9	TT sales invoice summaries extracted from Kingdee system

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Confidential Attachment DOM 10	Level of trade - sales price comparison between distributors and end -users
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