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AUSTRALIAN ANTI-DUMPING COMMISSION

IN THE DUMPING INVESTIGATION OF CERTAIN CRYSTALLINE SILICON PHOTOVOLTANIC MODULES OR PANELS EXPORTED FROM CHINA UNDER *THE CUSTOMS ACT 1901*

TINDO MANUFACTURING PTY LTD	(the Domestic Industry)
RENESOLA JIANGSU LIMITED	(the Exporter)
RENESOLA AUSTRALIA PTY LTD	(the Importer)
RENESOLA LTD and its subsidiaries	(the Company)

**RESPONSE OF THE AUSTRALIAN INDUSTRY TO THE CALCULATION OF THE DUMPING MARGIN**

The Domestic Industry requests that the dumping margin of for ReneSola Jiangsu Limited (the Exporter) be reviewed as a matter of urgency. The Domestic Industry contends that the Exporter and ReneSola Australia (the importer) are controlled either directly or indirectly by ReneSola Ltd and that this has not been taken into consideration in calculating the dumping margin for the Exporter.

*Manipulation of transfer pricing*

The Domestic Industry rejects the Anti-Dumping Commission (ADC) finding that the cost to make and sell CTMS) data is complete, relevant and accurate and similarly rejects the ADC finding of no dumping (-0.30%) for the same exporter that the United States, European Union and Canadian administrations found evidence of dumping ranging from 78.42% to 9.14% for similar investigation periods.

The Domestic Industry contends that the ADC, by not taking into account the intercompany relationships of ReneSola Ltd and its subsidiaries and the influence the Company has on its subsidiaries, has erred by relying solely on the Exporter accounts to ascertain the CTMS.

The Domestic Industry notes that in the Exporter visit report the ADC treated the Exporter that its parent company, ReneSola Zhejiang Ltd, as a "single entity". The Domestic Industry contends that for the following reasons the "single entity" should include ReneSola Ltd and its subsidiaries

- Renesola is a vertically integrated business that manufactures polysilicon, solar wafers and solar modules;
- ReneSola Jiangsu Ltd is a 100% subsidiary of ReneSola Zhejiang Ltd which is a 100% subsidiary of ReneSola Ltd; and
- Sichuan ReneSola Material Co Ltd (Sichuan Renesola), owned 75% by ReneSola Zhejiang and 25% by ReneSola Ltd, accounted for approximately the Company's polysilicon purchases.

The Domestic Industry contends that by not treating the Company as a single entity the CTMS data is incomplete and does not account for the fact that in 2012 and 2013 the Company had losses of US \$243 million (25% of revenue) and US \$259 million (17% of revenue), respectively.

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The Domestic Industry is concerned that the Company is manipulating the transfer prices of wafers and cells between its subsidiaries to put the modules in an artificial profit making position not taking into account the losses of the parent company the ADC's verification of costs to make and sell to this artificial profit making position was incomplete, irrelevant and inaccurate.

The Domestic Industry is also critical of the ADC procedure for verifying accurate direct labour costs as there is no indication that labour figures in the ledger have been tested. This is concerning as 3 months earlier the United States Department of Commerce conducted its own visit of ReneSola Jiangsu Ltd and noted that "At verification, every labor hour figure that the Department tested was wrong.....the Department is not using ReneSola's reported labor FOPs [factors of production] in our calculation" (Source, A-570-010, page 58)

### *Integrity of ReneSola*

The Domestic Industry is concerned at the predacious behaviour of the Company to dominate the market. The US Administration noted that "the solar products industry involves a complex and readily adaptable global supply chain which allows producers to modify their production chains easily and quickly" (Source, A-570-010, page 13). In recent days there have been a number of news articles stating that the European Commission is proposing the withdrawal of the ReneSola undertaking alleging breaches of the undertaking (Sources, Washington Post, 12 March and pv-tech.org).

### *Recalculated Dumping Margin*

Tindo has undertaken its own analysis of ReneSola's data and calculated dumping margins ranging from of 12.4% to 23.6%. Refer Appendix A.

### *Recommendation*

The Domestic Industry recommends that the dumping margin be recalculated taking into consideration the above.

DATED 23 March 2015

A handwritten signature in dark ink, consisting of a stylized, cursive letter 'R' followed by a horizontal line and a small dot.

On behalf of the DOMESTIC INDUSTRY

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ATTACHMENT A

<b>Renasola Financial Statements</b>							
Assumption: Wafer Business is break-even and Wafer Revenue = Wafer Cost of Revenue							
	Qtr3 2012	Qtr4 2012	Qtr1 2013	Qtr2 2013	Qtr3 2013	Qtr4 2013	Total
<b>Module Shipments (MW)</b>	145.3	320.5	326.6	434.1	462.9	505.3	2,194.7
<b>Wafer Shipments (MW)</b>	387.5	392.7	335.5	415.2	388.1	278.9	2,197.9
<b>Total Shipments</b>	532.8	713.2	662.1	849.3	851.0	784.2	4,392.6
<b>Revenue Module</b>	97.4	201.9	199.2	273.5	305.5	338.6	1,416.0
<b>Revenue Wafer</b>	108.5	94.2	73.8	95.5	89.3	64.1	525.5
<b>Total Revenue</b>	205.9	296.2	273.0	369.0	394.8	402.7	1,941.5
<b>RenaSolar Financials Actual</b>	218.2	306.5	284.2	377.4	419.3	438.8	2,044.4
<b>Diff</b>	12.3	10.3	11.2	8.4	12.9	22.3	77.4
<b>GP</b>	-39.2	10.3	-5.6	27.4	34.1	47.4	74.3
<b>Cost of Revenue</b>	257.4	296.2	289.8	349.9	385.2	391.5	1,969.9
<b>Module Cost of Revenue</b>	148.9	201.9	216.0	254.4	295.9	327.3	1,444.5
<b>Operating Expenses</b>	-43.6	-34.0	-27.8	-44.0	-49.0	-39.2	-237.6
<b>Forex (Gain/Loss)</b>	2.1	3.1	-3.0	-1.0	2.5	-0.7	2.9
<b>Interest Expense</b>	-12.8	-13.0	-13.1	-14.0	-11.9	-13.1	-77.9
<b>Interest Income</b>	1.7	1.4	1.6	2.0	2.2	2.7	11.5
<b>Other Income</b>	-0.3	0.9	3.9	1.2	-3.7	5.9	7.8
<b>Tax Benefit (Loss)</b>	13.6	-18.4	5.0	7.5	-6.5	-3.3	-2.2
<b>Net Income*</b>	-78.6	-49.9	-39.0	-21.1	-35.0	0.8	-222.7
<i>* Q3 2013 Net income adjusted for 200m impairment.</i>							
<b>Total SGA</b>	-52.98	-41.67	-38.51	-55.88	-59.86	-44.42	-293.32
<b>SGA c/W</b>	-0.099	-0.058	-0.058	-0.066	-0.070	-0.057	-0.067
<b>Manufacturing Costs (c/W)</b>	1.025	0.630	0.661	0.586	0.639	0.648	0.658
(Revenue / Module Shipments)							
<b>Total Cost of Manufacture</b>	1.124	0.689	0.719	0.652	0.710	0.704	0.725
(SGA - Manufacturing Costs)							
<b>Assumption for Profit</b>							
5%	1.180	0.723	0.755	0.684	0.745	0.740	0.761
10%	1.236	0.757	0.791	0.717	0.781	0.775	0.797
<b>Actual Selling Price - Module - USD (c/W)</b>	0.670	0.630	0.610	0.630	0.660	0.670	0.645
ASP Wafer **	0.28	0.24	0.22	0.23	0.23	0.23	0.24
<i>** Figures sourced from Quarterly results. As no figures published for Q3 2013 and Q4 2014, have assumed no change.</i>							
<b>Difference Selling vs Costs</b>	-0.454	-0.059	-0.109	-0.022	-0.050	-0.034	-0.080
<b>Difference Selling vs Profit Assumption</b>	-0.510	-0.093	-0.145	-0.054	-0.085	-0.070	-0.116
<b>Dumping Margin vs Costs</b>	<b>67.8%</b>	<b>9.3%</b>	<b>17.9%</b>	<b>3.5%</b>	<b>7.5%</b>	<b>5.1%</b>	<b>12.4%</b>
<b>Dumping Margin vs Profit Assumption 5%</b>	<b>76.2%</b>	<b>14.8%</b>	<b>23.8%</b>	<b>8.6%</b>	<b>12.9%</b>	<b>10.4%</b>	<b>18.0%</b>
<b>Dumping Margin vs Profit Assumption 10%</b>	<b>84.5%</b>	<b>20.2%</b>	<b>29.7%</b>	<b>13.8%</b>	<b>18.3%</b>	<b>15.7%</b>	<b>23.6%</b>