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## International Trade Remedies Branch Exporter Questionnaire

**Product:** Formulated glyphosate  
**From:** The People's Republic of China  
**Investigation period:** 1 January 2011 to 31 December 2011  
**Response due by:** **19 March 2012**  
**Investigation case manager:** Christie Sawczuk  
**Phone:** +61 2 6275 5965  
**Fax:** +61 2 6275 6990  
**E-mail:** [tmops2@customs.gov.au](mailto:tmops2@customs.gov.au)  
**Australian Customs and Border Protection website:**

[www.customs.gov.au](http://www.customs.gov.au)

**Return completed  
questionnaire to:** International Trade Remedies Branch  
Australian Customs and Border  
Protection Service  
5 Constitution Avenue  
Canberra ACT 2601  
AUSTRALIA  
  
Attention: Director Operations 2



## SECTION A - COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

### A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

**Head office: Shandong Weifang Rainbow Chemical Co., Ltd.**

Name: **Ms. Fan Jun (Sandya Fan)**  
Position: **Sales Manager of Asia Pacific**  
Address: **6<sup>th</sup> Floor, Gaoxinjishuchuangye Center, 750# Shunhua Road, Jinan, Shandong, P.R. China 250101**  
Telephone: **(+86) 531-88875226**  
Facsimile: **(+86) 531-88875232, 88875224**  
E-mail address: **sandya\_fan@rainbowchem.com**

**Factory: Shandong Weifang Rainbow Chemical Co., Ltd.**

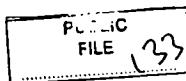
Address: **1# Haigang Road, Binhai Economic Development Area, Weifang, Shandong, P.R. China**  
Telephone: **(+86) 536-5319100**  
Facsimile: **(+86) 536-5319101**  
E-mail address: **sandya\_fan@rainbowchem.com**

**The financial records are kept in the factory located on 1# Haigang Road, Binhai Economic Development Area, Weifang, Shandong, P.R. China.**

### A-2 Representative of the company for the purpose of investigation

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

Name: **Mr. PU Lingchen, Mr. LIU Jianwei**  
Organisation: **Zhong Lun Law Firm**  
Position: **Partner Lawyer**  
Address: **36-37/F, SK Tower, 6A Jianguomenwai Avenue, Chaoyang District, Beijing 100022, P.R.China**  
Telephone: **86-10-59572288**  
Facsimile: **86-10-65681838**  
E-mail address of contact person: **pulingchen@zhonglun.com;**  
**liujianwei@zhonglun.com;**



*Note that in nominating a representative, Customs and Border Protection will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.*

### A-3 Company information

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

**Answer:**

The legal name of the company is Shandong Weifang Rainbow Chemical Co., Ltd. ("Rainbow"). It was incorporated in China as Sino-foreign joint-venture company. It has no other business name.

Rainbow is the manufacturer of the goods under investigation and exported the goods to foreign markets included Australia during the IP by itself. It is focused on the [Confidential].

*[Details of business scope removed]*

Rainbow was established on [Confidential]. Rainbow's shareholders included [Confidential].

*[Date of establishment and Shareholding's information removed]*

The shareholding information of Rainbow is explained as follows.

Shareholding companies	Shareholding Percentage
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
Total	100%

*[Shareholding's information blocked]*

On [Confidential], Rainbow established a subsidiary named [Confidential] and on [Confidential], Rainbow established another subsidiary named [Confidential]. These two companies are [Confidential] owned by Rainbow. However, [Confidential] and [Confidential] do not involve either in the production or in the sales of the subject goods.

*[Date of establishment of subsidiaries, details of subsidiaries, and shareholding of subsidiaries removed]*

*Details of business scope, Date of establishment, Shareholding's information, Date of establishment of subsidiaries, details of subsidiaries, and shareholding of subsidiaries were provided to the Service in confidence, because some detailed information is stated therein, disclosure of which could damage the interests of the investors.*

**Please refer to Exhibit A-3.1 for the business licenses of Rainbow and of its related companies.**

*The business licenses were provided to the Service in confidence, because some detailed information is stated therein, disclosure of which could damage the interests of the investors.*

**List of Rainbow's related companies:**

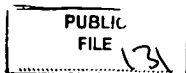
Company	Function	Whether involved in the production or sale of PUC or like goods
[Confidential]	Investment; Import & Export of goods & technologies.	Not involved in production or sales of the goods under investigation to Australia and like goods to domestic market.
[Confidential]	Investment	Not involved in production or sales of the goods under investigation to Australia and like goods to domestic market.
[Confidential]	Investment	Not involved in production or sales of G the goods under investigation to Australia and like goods to domestic market.
[Confidential]	Investment	Not involved in production or sales of the goods under investigation to Australia and like goods to domestic market.
[Confidential]	Import & Export of goods & technologies.	Not involved in production or sales of the goods under investigation to Australia and like goods to domestic market.
[Confidential]	Import & Export of goods & technologies.	Not involved in production or sales of the goods under investigation to Australia and like goods to domestic market.

*[Information of Rainbow's related companies blocked]*

*Information of Rainbow's related companies were provided to the Service in confidence, because some detailed information is stated therein, disclosure of which could damage the interests of the investors.*

- Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

**Answer:**



Please refer to the following list of Rainbow's shareholders:

Shareholding companies	Percentage of shares hold
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
<b>Total</b>	<b>100%</b>

*[Information of Rainbow's shareholders blocked]*

*The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

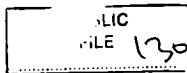
3. If your company is a subsidiary of another company, list the principal shareholders of that company.

**Answer:**

[Confidential]'s shareholders are [Confidential] natural persons.

Please refer to the following table for the list of [Confidential]'s shareholders:

Shareholding companies	Shareholding Percentage
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]



[Confidential]	[Confidential]
[Confidential]	[Confidential]
<b>Total</b>	<b>100%</b>

*[Shareholders of Rainbow's parent company removed]*

*The shareholder of Rainbow's parent company is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

**[Confidential]'s shareholders are all natural persons. This question is not applicable.**

*[Shareholding information of Rainbow's parent company removed]*

*The shareholding information of Rainbow's parent company is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

**Please refer to Exhibit A-3.5 for the corporate structure.**

*The world-wide corporate structure chart was provided to the Service in confidence, because some detailed private ownership is stated therein, disclosure of which could damage the interests of the investors.*

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

**Answer:**

**Not Applicable. There are no management fees or corporate allocations charged between Rainbow and its related companies.**

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

**Answer:**

Rainbow is a producer of the goods under investigation and it sales the product on both domestic and foreign markets, including Australia.

8. If your business does not perform all of the following functions in relation to the goods, then please provide names and addresses of the companies which perform each function:

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

**Answer:**

Rainbow performs all four functions that included produce or manufacture, sell in the domestic market, export to Australia and export to countries other than Australia.

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

**Answer:**

Please refer to Exhibit A-3.9 for the internal organisation chart. The function of each department is self-explained by the department's names.

*The internal organisation chart was provided to the Service in confidence, because some detailed internal management information is stated therein, disclosure of which could bring the Company less competitiveness in the market.*

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

**Answer:**

There is no annual report published by Rainbow. Please refer to Exhibit A-3.10 for the brochure of Rainbow.

#### **A-4 General accounting/administration information**

1. Indicate your accounting period.

**Answer:**

Rainbow's accounting period is from January 1 to December 31.

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

**Answer:**

The financial records are kept in the factory located on 1# Haigang Road, Binhai Economic Development Area, Weifang, Shandong, P. R. China.

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:
- chart of accounts;
  - audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); and
  - internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.

These documents should relate to:

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

**Answer:**

Please refer to Exhibit A-4.3.1 for the Chart of Accounts, Exhibit A-4.3.2 for the audited report of Rainbow for year 2010, Exhibit A-4.3.3 for the financial statements which included Balance sheet and Income statement for year 2011. By far Rainbow has not had its financial statements of 2011 audited, which shall be done before the end of March.

There were no internal financial statements or reports maintained for goods under investigation and there's no specific accounting document for the division or section responsible for the production and sale of the goods.

*The financial information above is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

The Company have its accounts audited each year, however, for the accounts of 2011, the audit works are still in progress and the audited report due by the end of March, thus we submit unaudited Balance sheet and Income statement for 2011 in Exhibit A-4.3.3.

*The financial information above is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**



No. the accounting practice of Rainbow does not differ with generally accepted accounting principles in China. The Rainbow's accounting practices are consistent with GAAP of China.

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

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out – LIFO, first in first out- FIFO, weighted average);

**Answer:**

Raw materials are valued according to actual acquisition costs. The method of valuation for issuance and inventory of raw materials, work-in-process and finished goods is weighted average method.

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

**Answer:**

Rainbow's cost calculation for formulated glyphosate begins from the glyphosate technical as a major raw material, added by other chemicals and surfactant, energy, labor and manufacture overheads occurred at this stage of processing. The cost for formulated products in solid/dry form (e.g. Glyphosate 680 WSG, measured in KG) and cost for formulated products in liquid form (e.g. Glyphosate IPA 450G/L, measure in litre) are separately prepared and maintained. The cost factors such as glyphosate technical, isopropylamine, surfactant are gathered on their actual consumption amount and calculated on a monthly bases, for each subcategory of product (Glyphosate IPA 450G/L and Glyphosate IPA 470G/L, etc.).

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

**Answer:**

The damaged or sub-standard goods were recycled into the production of subject goods.

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

**Answer:**

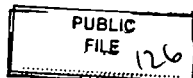
No Scrap produced during the manufacture of formulated glyphosate. Please kindly note that no by-products created in the processing stage of formulated glyphosate. However, two main by-products were produced during the manufacture of glyphosate technical as follows.

Methyl chloride

Methylal

These by-products were sold and the revenue was booked in the Other Operation Revenue sub-ledger. The valuation of these by-products is based on actual revenue in selling these goods.

- valuation and revaluation methods for fixed assets;



**Answer:**

Fixed assets are valued according to the actual acquisition cost. Depreciation method is straight-line according to estimated useful life of each asset. There was no revaluation for the fixed assets.

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

**Answer:**

The depreciation method is straight line method.

Type of assets	Average Useful Life (years)	Residual Rate	Yearly Depreciation Rate
Housing and Building	20	5%	4.75%
Machine and Equipment	10	5%	9.50%
Transportation Equipment	5	5%	19%
Electronic equipment	5	5%	19%
Other Equipments	5	5%	19%

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

**Answer:**

The foreign exchange gains and losses resulting from foreign currency transaction are booked in general ledger as financial expenses/earnings.

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

**Answer:**

The translation was made at the end of each year and the foreign exchange gains/losses arising asset and liability balance which express as foreign currency are converted into RMB YUAN according to the month-ending exchange rate.

- inclusion of general expenses and/or interest;

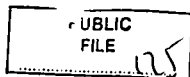
**Answer:**

The general expenses are recorded in the general ledger of Administrative Expenses. The interest is normally recognized as Financial Expenses and maybe capitalized if it is incurred for the construction of fixed assets.

- provisions for bad or doubtful debts;

**Answer:**

The bad debt was recognized when it actually incurred and recorded in the financial statements. It used allowance for bad debts.



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

**Answer:**

**There was no such expense incurred, this question is not applicable.**

- costs of plant closure;

**Answer:**

**There was no such expense incurred, this question is not applicable.**

- restructuring costs;

**Answer:**

**There was no such expense incurred, this question is not applicable.**

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

**Answer:**

**No Scrap produced during the manufacture of formulated glyphosate. Please kindly note that no by products incurred in the stage of production from glyphosate technical to formulated glyphosate. However, two main by-products (Methyl chloride, Methylal) were produced during the manufacture processing for glyphosate technical. These by-products were sold as new products which recorded into the other operation revenue ledger. The valuation of these by-products is based on actual revenue in selling these goods.**

- effects of inflation on financial statement information.

**Answer:**

**There was no inflation reflected in financial statement, this question is not applicable.**

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

**Answer:**

**There was no change of accounting methods by the company over the last two years.**

## **A-5 Income statement**

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

	Most recent completed financial year (specify)		Investigation period	
	All products	The goods	All products	The goods
Gross sales (1)				
Sales returns, rebates and discounts (2)				
Net sales (3=1-2)				

Raw materials (4)				
Direct labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
Operating income (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12+13)				
Income from normal activities (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
Profit before tax (20)=(15+16+17+18+19)				
Tax (21)				
N profit (22)=(20-21)				

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

Prepare this information on a spreadsheet named "**Income statement**".

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

**Answer:**

Please refer to **Exhibit A-5** for the Income Statement.

*This confidential information is provided to the Service for investigation. Since such data is classified as highly sensitive commercial information, please refer to a summary of the information in an indexed form.*

**For purpose of this table, Rainbow can only split the figures of the goods under investigation/like goods from all products against the ratio of the sales revenue of the goods under investigation/like goods account for in all products' revenue.**

**A-6 Sales**

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

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

Prepare this information in a spreadsheet named "**Turnover**".

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

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

**Answer:**

Please refer to **Exhibit A-6, Turnover** for the required information. Please kindly note that Rainbow records the product by liter for liquid product and by KG for dry product. For your convenience, we submit all data of units for liquid and dry product.

*This confidential information is provided to the Service for investigation. Since such data is classified as highly sensitive commercial information, please refer to a summary of the information in an indexed form.*

**SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)**

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

*You should report prices of **all** goods **shipped** to Australia during the investigation period.*

*The invoice date will normally be taken to be the date of sale. If you consider:*

- the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;
- an alternative date should be used when comparing export and domestic prices.

*You **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

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

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

**Answer:**

Please refer to **Exhibit B-1** for Australia Customer Information.

**B-2** For each customer identified in B1 please provide the following information.

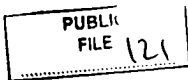
- Describe how the goods are sent to each customer in Australia, including a diagram if required.

**Answer:**

Please refer to **Exhibit B-2.a** for the illustration of the Export Sales Channel. During the IP, all Australian customers that Rainbow exported are [Confidential] Australian customers.

*[Relationship between Rainbow and its customers removed]*

*Relationship between Rainbow and its customers is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*



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

**Answer:**

Rainbow is the only party which involved in the export sales to Australia. Rainbow is a manufacturer of the goods under investigation/like goods, it exports the goods under investigation to Australia and other foreign countries.

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

**Answer:**

The goods under investigation exported to Australia during the IP were in [Confidential] term and [Confidential] term.

[Confidential]

*[Delivery term and explanation of ownership of the goods during the distribution removed]*

*The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

There is no agency agreement or distributor agreement or other contracts. The question is not applicable.

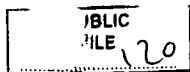
- Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

**Answer:**

Usually, sales departments of Rainbow initiate contacts with potential Australian customers.

Potential customers send a request order to Rainbow which usually included a product specifications; Rainbow would make assessments on the possibility of making the required products.

Rainbow issues a sales contract to customer for confirmation. Negotiation on prices and quantities would be agreed between Rainbow and Australian customers. Price negotiation and price quotations shall take into account current raw material price, conversion cost and estimated delivery expenses. Since the raw material price changes



from time to time, the prices of subject goods fluctuate accordingly. [Confidential] When all terms set, Rainbow begins its production for export.

When production being completed and prior to delivery, all the documents necessary for exports are prepared by Rainbow. Finally, Australian customer paid the amount of goods to Rainbow.

*[Information of price list removed]*

*The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

**[Confidential].**

*[Relationship between Rainbow and its customers removed]*

*The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

Please refer to **Exhibit B-9.1/2** for the details of the forward orders of the goods.

*The above information of sales documents is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

**B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

**Answer:**

**[Confidential]**

*[Explanation of export selling prices in the distribution channel removed]*



The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.

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

Column heading	Explanation
Customer name	Names of your customers
Level of trade	The level of trade of your customers in Australia
Model/grade/type	Commercial model/grade or type (including formulation strength e.g. 450 gram per litre or 41%)
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis e.g. litres or kilos.
Packaging type	E.g. 200 ml containers or 1 Litre packs
Gross invoice value	Gross invoice value shown on invoice in the currency of sale, excluding taxes.
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	The currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	The free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	Handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	Warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate

	in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

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

\*\* FOB export price and Ocean Freight:

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

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

**Answer:**

Please refer to **Exhibit B-4** for the Australian sales.

**[Confidential]**

*[Data source of product scope removed]*

*The data source of product scope is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

*The above-referred information of Australian sales is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

Please refer to **Exhibit B-4** for the Australian sales.

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

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

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your

response to question B4. If they vary by customer or level provide an explanation.

**Answer:**

**There was no discount, rebate or allowance offered on export sales to Australia, so this question is not applicable.**

**B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

**Answer:**

**There was no credit note on export sales to Australia during the IP, so this question is not applicable.**

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

For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

**Answer**

**[Confidential]**

*[Explanation of delivery terms between Rainbow and its Australian customers removed]*

*The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

**B-9** Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- any technical material in respect of the goods;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.



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Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

**Answer**

Please refer to **Exhibit B-9.1/2** for requested documents for two shipments.

*The above information of sales documents is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

**SECTION C - EXPORTED GOODS & LIKE GOODS**

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

**Answer**

Rainbow exported both the goods under investigation and the goods not under investigation to Australia.

The goods under investigation that Rainbow exported to Australia during the IP are Glyphosate 680 WSG, Glyphosate 700 WSG, Glyphosate IPA 450G/L SL (SL0190)(by Acid), Glyphosate IPA 450G/L SL (SL0220)(by Acid), Glyphosate IPA 450G/L SL (SL0230)(by Acid), Glyphosate IPA 470G/L SL (SL0230)(by Acid).

We have note that Glyphosate IPA 62% SL is not fully formulated. We considered that Glyphosate IPA 62% SL is not the goods under investigation or any like goods.

The goods not under investigation that Rainbow exported to Australia during the IP are Glyphosate IPA 62% SL.

The like goods that Rainbow exported to Australia during the IP is Glyphosate IPA 41% SL only. Please kindly note that Rainbow also sold not fully formulated goods- Glyphosate IPA 62% SL on domestic market during the IP.

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

**Answer**

Please refer to **Exhibit C-2** for the list of all models exported to Australia.

*The above-referred information of models is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

- C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods	Product code of comparable model sold on	If goods are identical indicate	Where the good exported to Australia is not identical to

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exported to Australia	the domestic market of the country of export	"YES". Otherwise "NO"	the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences
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Prepare this information on a spreadsheet named "Like goods".

**Answer**

Please refer to **Exhibit C-3**, Like goods.

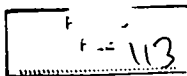
*The above-referred information of like goods is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer**

Rainbow only sold Glyphosate IPA 41% SL on domestic market during the IP.

**GLYPHOSATE IPA 41% SL**: Fully formulated liquid forms Glyphosate 41% (Commonly referred to as 360)



## SECTION D - DOMESTIC SALES

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

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

*Customs and Border Protection will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.*

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

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

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

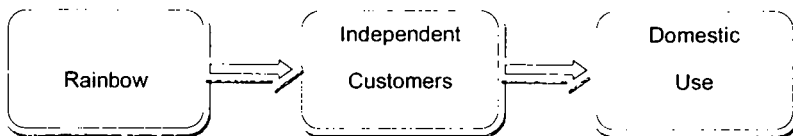
### **D-1** Provide:

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

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

### **Answer**

**All domestic sales of the like goods are made by Rainbow and there is only one distribution channel, i.e. Rainbow directly sells the like goods to independent customers who are resellers for domestic use. The flow chart for movement of the like goods is as following:**



In the domestic sales, Rainbow is both producer and seller. In some circumstances, Rainbow delivers the goods to customers but in other circumstances the buyers chosen to pick up goods in Rainbow's location.

There was no agency or distributor agreement.

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

Answer

The prices are influenced by many factors. However, the domestic selling prices do not vary by the distribution channel. Rainbow has only one distribution channel-Rainbow sold the like goods to independent customers in domestic market only during the IP.

**D-3** Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

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

Answer

Price negotiation and price quotations usually shall take into account current raw material price, sales terms, product specification, delivery conditions and etc. Since the raw material price changes from time to time, the prices of subject goods fluctuate accordingly. [Confidential]. The delivery terms varies for different customers.

*[Documents of price list during the transaction removed]*

*The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

Column heading	Explanation
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Customer name	Names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	The level of trade of your domestic customer
Model/grade/type	Commercial model/grade or type of the goods
Product code	Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	Show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	E.g. ex factory, free on truck, delivered into store
Payment terms	Payment terms agreed with the customer e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice e.g. litres or kilos.
Packaging type	E.g. 200 ml containers or 1 Litre packs
Gross invoice value	Gross value shown on invoice in the currency of sale, net of taxes.
Discounts on the Invoice	The amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	The actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation costs*	Amount of inland transportation costs included in the selling price.
Handling, loading and ancillary expenses*	Handling, loading & ancillary expenses.
Warranty & guarantee expenses*	Warranty & guarantee expenses
Technical assistance & other services*	Expenses for after sale services such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	Any other costs, charges or expenses (including VAT) incurred in relation to the domestic sales (include additional columns as required). See question D5.

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

**Answer:**

Please refer to **Exhibit D-4** for the Domestic sales.

**[Confidential]**

*[Data source of product scope removed]*

*The data source of product scope is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

*The above-referred information of domestic sales is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

**There is no other cost, charges or expenses which have not been identified in the table.**

**D-6** For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

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

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

**Answer:**

**There was no commission for domestic sales. The question is not applicable.**

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

Customs and Border Protection will select additional sales for verification at the time of our visit.

**Answer:**

**Please refer to Exhibit D-7.1/2 for the documents relating to the two domestic sales.**

*The above-referred information of sales documents is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

**SECTION E - FAIR COMPARISON**

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

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

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

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

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

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

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

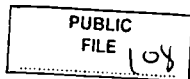
*The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification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

**E-1 Costs associated with export sales**

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

**1. Transportation**

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



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

**Answer:**

For export sales, the inland transportation cost is the actual cost of each transaction which we have reported in the **Exhibit B-4**. The amount of inland transportation expenses is based on the transportation invoice. The expenses have been booked in the selling expenses ledger.

*The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

**2. Handling, loading and ancillary expenses**

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

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

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

**Answer:**

Please see **Exhibit B-4** for detailed information. The handling and other fees in **Exhibit B-4** is reported by **Rainbow** for the actual cost of each transaction.

*The above information is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

**3. Credit**

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if export prices are influenced*

by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

**Answer:**

Not applicable.

**4. Packing costs**

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

**Answer:**

The packing allocation method is explained as follow:

[Total weight (KG) or volume (Liter) / Packaging type (e.g. 1 litre pack)] \* Price of pack or tub + [Total weight (KG) or volume (Liter) / 1000 (exchange from KG to Ton)] \* Unit price of labour per ton=Packing fees

The packing methods and packing materials are different for export or domestic sales. For export sales to Australia, Rainbow used special tub from SCHÜTZ Container Systems (a manufacturer of special tub for liquid formulated glyphosate using particularly.) These special tubs that Rainbow used for exporting the goods under investigation to Australia could be recycled by SCHÜTZ Container Systems only. In real commercial practice, Australian customers usually sold these empty special tubs to SCHÜTZ Container Systems.

On domestic sales, the domestic customers that Rainbow sold do not chose to use special tub. Rainbow used normal tub for liquid formulated glyphosate on domestic sales.

Due to the difference of packing tubs for export and domestic sales, we claim to adjust the fair comparison of packing methods accordingly.

Please kindly note that the packing fees in selling expenses is not the packing fees for the goods export to Australia and domestic sales. The packing expenses for the goods under the investigation which indicated in the Exhibit B-4 Australian Sales are recorded into the cost of production. Similarly, the like goods which Rainbow sold on domestic market are added in the cost of production.

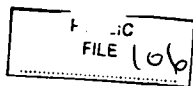
**5. Commissions**

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

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

Report the amount in the sales listing in question B-4 under the column headed "Commissions". Identify the general ledger account where the expense is located.

**Answer:**



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**Not applicable.**

## 6. Rebates

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

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

Report the amount in the sales listing in question B-4 under the column headed "**Rebates or any other allowances**". Identify the general ledger account where the expense is located

**Answer:**

There is no such expenses occurred, this question is not applicable.

## 7. Warranties, guarantees, and after sales services

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

**Answer:**

There is no such expenses occurred, this question is not applicable.

## 8. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "**Other factors**". For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

**Answer:**

We do not claim other allowances.

## 9. Currency conversions

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

**Answer:**

We do not claim such allowances.

## E-2 Costs associated with domestic sales

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

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

### 1. Physical characteristics

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

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

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

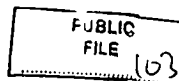
#### Answer:

On domestic sales, Rainbow only sold Glyphosate IPA 41% SL (Commonly referred to as 360) on domestic market during the IP. Please kindly note that the Glyphosate IPA 41% SL is different from the goods that Rainbow exported to Australia on physical differences as follows.

<i>Glyphosate content on grams of glyphosate per liter</i>	<i>360</i>	<i>450</i>	<i>680</i>
<i>Glyphosate gms per mole</i>	169.0	169.0	169.0
<i>NH3 gms per mole</i>			17.0
<i>IPA gms per mole</i>	59.1	59.1	
<i>Gly/IPA or NH3 gms per mole on 1:1 basis</i>	228.1	228.1	186.0
<i>Grams of IPA or NH3 per litre</i>	125.9	157.4	68.4
<i>Gly+IPA or NH3 grams per litre</i>	485.9	607.4	748.4
<i>Specific density grams per kilogram</i>	1.1690	1.2000	0.9886
<i>Glyphosate content on weight per weight basis</i>	41.6%	50.6%	75.7%
<i>Commonly referred to as</i>	41%	51%	75.7%

### 2. Import charges and indirect taxes





If exports to Australia:

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

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

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

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

In substantiating the drawback claim the following information is required:

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

#### Substitution drawback systems

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

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

#### Answer:

Both export sales table and domestic sales table reflect the net of tax price. Rainbow imported few glyphosate additives from overseas company and purchased some glyphosate additives from the branch of international company which located in China.

### 3. Level of trade

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

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

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

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

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

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

This requires the following information:

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

or

- (b) level discount: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of

like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

**Answer:**

**We do not claim such allowances.**

**4. Credit**

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

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

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

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

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

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system<sup>1</sup>, the average credit period may be determined as follows:

**1 Calculate an accounts receivable turnover ratio**

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

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

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

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

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

2 Calculate the average credit period

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

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

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

**Answer:**

Not applicable.

**5. Transportation**

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

**Answer:**

For domestic sales, the inland transportation cost is the actual cost of each transaction which we have reported in the **Exhibit D-4**. The amount of inland transportation expenses is based on the transportation invoice. The expenses have been booked in the selling expenses ledger.

**6. Handling, loading and ancillary expenses**

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

**Answer:**

There is no handling or loading and ancillary expenses incurred. The question is not applicable.

**7. Packing**



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

**Answer:**

The packing allocation method is explained as follow:

$$[\text{Total weight (KG) or volume (Liter) / Packaging type (e.g. 1 litre pack) } * \text{ Price of pack or tub + } [\text{Total weight (KG) or volume (Liter) / 1000 (exchange from KG to Ton)}] * \text{ Unit price of labour per ton} = \text{Packing fees}$$

The packing methods and packing materials are different for export or domestic sales. For export sales to Australia, Rainbow used special tub from SCHÜTZ Container Systems. (a manufacturer of special tub for liquid formulated glyphosate using particularly.) These special tubs that Rainbow used for exporting the goods under investigation to Australia could be recycled by SCHÜTZ Container Systems only. In real commercial practice, Australian customers usually sold these empty special tubs to SCHÜTZ Container Systems.

On domestic sales, the domestic customers that Rainbow sold do not chose to use special tub. Rainbow used normal tub for liquid formulated glyphosate on domestic sales.

Due to the difference of packing tubs for export and domestic sales, we claim to adjust the fair comparison of packing methods accordingly.

Please kindly note that the packing fees in selling expenses is not the packing fees for the goods export to Australia and domestic sales. The packing expenses for the goods under the investigation which indicated in the Exhibit D-4 Domestic Sales are recorded into the cost of production. Similarly, the like goods which Rainbow sold on domestic market are added in the cost of production.

**8. Commissions**

For any commissions paid in relation to the domestic sales:

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

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

**Answer:**

There is no commissions occurred, this question is not applicable.

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

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & Guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or

consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

**Answer:**

There is no such expenses occurred, this question is not applicable.

**10. Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

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

**Answer:**

We do not claim any other allowances.

**E-3 Duplication**

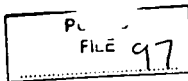
In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

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

Separate adjustment items must avoid duplication.

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



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

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

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

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

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column Sales
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country"

**Answer:**

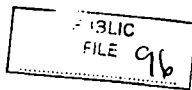
Please refer to **Exhibit F-1** for Third Country sales.

*The above-referred information of third country sales is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

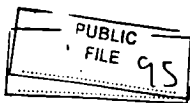
Generally, the products sold to third countries were comparable to export sales to Australia, but please note that the data reported in Exhibit F-1 Third Country was



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based on the actual delivery term, rather than being adjusted to FOB level.





## SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

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

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

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

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

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

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

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

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

### G-1. Production process and capacity

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

#### **Answer:**

Please refer to **Exhibit G-1.1** for Production Process.

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

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	INVESTIGATION PERIOD
A - Production capacity (eg kg, tonnes)*			
B - Actual production in volume (eg kg, tonnes)			
C - Capacity utilisation (%) (B/A x 100)			

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

Provide this information on a spreadsheet named "Production".

**Answer:**

Please refer to **Exhibit G-2.1** for Production table.

**[Confidential]**

*[Explanation of production capacity removed]*

*This confidential information is provided to the Service for investigation. Since such data is classified as highly sensitive commercial information, please refer to a summary of the information in an indexed form.*

**G-3. Cost accounting practices**

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

**Answer:**

There are no special management accounting system maintained by Rainbow. All Rainbow's cost accounting systems are part of its financial accounting system.

The cost accounting information is reconciled to the audited financial statements as follows:

**Cost of Manufacturing + Beginning Inventory – Ending Inventory + Other Accounting Adjustments = Cost of Goods Sold in Income Statement**

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

**Answer:**

Rainbow does not apply standard cost, so this question is not applicable.

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

**Answer:**

Rainbow does not apply standard cost, so this question is not applicable.

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

**Answer:**

There's no such concept of cost/profit centre in the cost accounting system of Rainbow. Rainbow gathers all cost elements and allocates to all the total finished products produced according to the weight of goods at the end of each month.

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

**Answer:**

The costs and expenses are calculated monthly.

For cost of the goods under investigation/like goods, Rainbow reports the production costs of each model of products according to its weight (liquid products recorded for liter and dry products recorded for KG).

For expenses, Rainbow usually allocated them to the product produced sold in the corresponding month.

The costs are allocated to different model of products by using the weight as a specific allocation ratio to reflect the differences in the cost for each type of products.

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

**Answer:**

Rainbow's cost accounting system are designed to reflect the cost of product with differences model, cost of raw materials consumed, the company has another record for the expenses paid for these consigned processing.

For detailed information, please refer to the Exhibit G-4.2.

*The above information of domestic CTMS is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

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

**Answer:**

There is no such kind of difference.

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

**Answer:**

Rainbow did not engage in start-up operations, so this question is not applicable.

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

**Answer:**

Rainbow did not engage in start-up operations, so this question is not applicable.

#### **G-4 Cost to make and sell on domestic market**

*This information is relevant to testing whether domestic sales are in the ordinary course of trade<sup>2</sup>.*

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

	Quarter X	Quarter X	Quarter X	Quarter X
Like domestic model/type – from spreadsheet "like goods"				
Material costs <sup>1</sup>				
Direct labour				
Manufacturing overheads				
Other costs <sup>2</sup>				
Total cost to make				
Selling costs				
Administration costs				

<sup>2</sup> Customs applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.

Financial costs				
Delivery expenses <sup>3</sup>				
Other costs <sup>3</sup>				
Unit cost to make and sell				

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

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

<sup>2</sup> Relating to costs of production only; identify each cost separately.

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

*If your financial information does not permit you to present information in accordance with this table please present the information in a form that best reflects your financial reporting.*

*Please specify unit of currency.*

**Answer:**

Please refer to **Exhibit G-4.2** for the Domestic CTMS.

With regard to supporting worksheets, please see **Exhibit G-4.2.1** for allocation of SG&A.

*The above-referred information of domestic CTMS and allocation of SG&A are not susceptible to a meaningful non-confidential summary as they are commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

## G-5 Cost to make and sell goods exported to Australia

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

	Quarter X	Quarter X	Quarter X	Quarter X
Model/type exported to Australia- from spreadsheet "like goods"				
Material costs <sup>1</sup>				
Direct labour				
Manufacturing overheads				
Other costs <sup>2</sup>				
Total cost to make				
Selling costs				
Administration costs				
Financial costs				
Delivery expenses <sup>3</sup>				
Other costs <sup>3</sup>				
Unit cost to make and sell				

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

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

<sup>2</sup> Relating to costs of production only; identify each cost separately.

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

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

*If your financial information does not permit you to present information in accordance with this table please present the information in a form that best reflects your financial reporting.*

*Please specify unit of currency.*

**Answer:**

Please refer to **Exhibit G-5** for the Australian CTMS.

*The above-referred information of Australian CTMS is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

- Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

**Answer:**



With regard to supporting worksheets, please refer to Exhibit G-4.2.1 for the Allocation of SG&A of Rainbow.

*The above-referred information of allocation of SG&A is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

2. Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

**Answer:**

There was no such difference.

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

**Answer:**

In Rainbow's cost accounting system, it has never allocated the SG&A to per unit weight product. But to report the unit cost to make and sell in Domestic CTMS, Rainbow allocated the SG&A to per unit weight product based on the ratio of SG&A in Cost of Goods Sold in the Income Statement.

## **G-6 Major raw material costs**

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

For these major inputs:

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

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

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



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

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

**Answer:**

The major raw material that account for 10% or more of the total production cost is Glycine, Yellow phosphorus, Isopropyl amine, Geronol CF/AS 30HL, Terwet 3780, Terwet 3781.

The suppliers of raw material are as follows, and none of those suppliers is related to Rainbow.

**Glycine:**

[Confidential]

[Confidential]

[Confidential]

[Confidential]

[Confidential]

**Yellow phosphorus:**

[Confidential]

[Confidential]

[Confidential]

[Confidential]

[Confidential]

[Confidential]

**Isopropyl amine:**

[Confidential]

[Confidential]

**Geronol CF/AS 30HL:**

[Confidential]

**Terwet 3780:**



[Confidential]



**Terwet 3781:**

[Confidential]

**The basis for valuing the raw material in the costs of productions is actually costs for purchase.**

*[Numbers and Name of raw materials suppliers of Rainbow removed]*

*The above information of the names of raw materials suppliers are not susceptible to a meaningful non-confidential summary as they are commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Service in confidence.*

**SECTION I - CHECKLIST**

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

<b>Section</b>	<b>Please tick if you have responded to all questions</b>
<b>Section A</b> – general information	✓
<b>Section B</b> – export price	✓
<b>Section C</b> – like goods	✓
<b>Section D</b> – domestic price	✓
<b>Section E</b> – fair comparison	✓
<b>Section F</b> – exports to third countries	✓
<b>Section G</b> – costing information	✓
<b>Section H</b> – declaration	✓

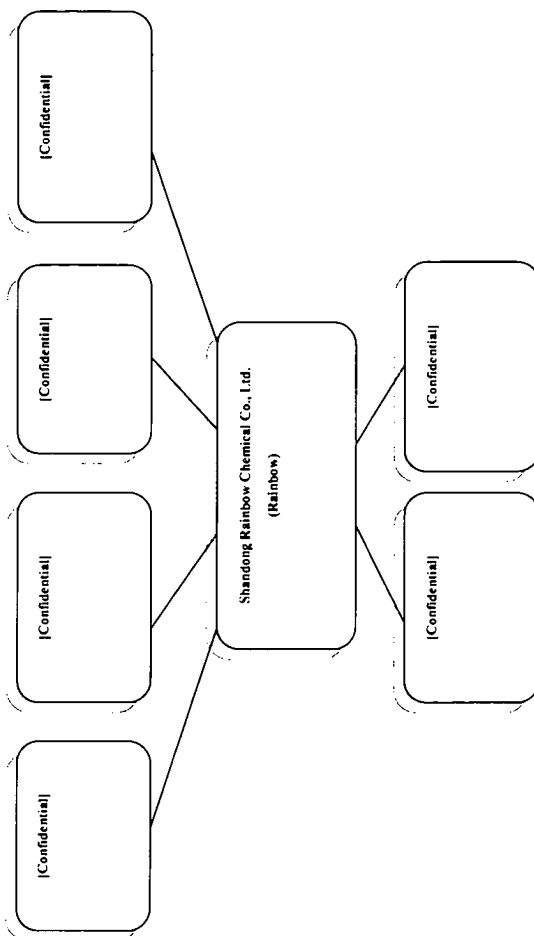
<b>Electronic Data</b>	<b>Please tick if you have provided spreadsheet</b>
<b>Income statement</b>	✓
<b>Turnover</b> – sales summary	✓
<b>Australian sales</b> – list of sales to Australia	✓
<b>Domestic sales</b> – list of all domestic sales of like goods	✓
<b>Third country</b> – third country sales	✓
<b>Production</b> – production figures	✓
<b>Domestic costs</b> – costs of goods sold domestically	✓
<b>Australian costs</b> – costs of goods sold to Australia	✓

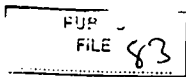
## LIST OF EXHIBITS

Shandong Weifang Rainbow Chemical Co., Ltd.

Question No.	Name of Exhibits
	Power of Attonery
A-3.5	Corporate Structure
A-3.9	Internal Organisation Chart
A-3.10	Company Brochure
A-4.3.1	Chart of Accounts
A-5	Income Statement
A-6	Turnover
B-1	Australia Customer Information
B-4	Australian sales
C-2	List of all models exported to Australia
C-3	Like Goods
D-4	Domestic sales
F-1	Third Country Sales
G-1.1	Production Process
G-2.1	Production Data
G-4.2	Domestic CTMS
G-4.2.1	Allocation of SG&A of Rainbow
G-5	Australia CTMS
	Declaration

### Corporate Structure





Explanation:

1. The shareholding structure of Shandong Welfang Rainbow Chemical Co., Ltd. is as follows:

Name of Shareholders	Shareholding percentage
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
Total	100%

Note: Rainbow is the exporting producer of GUC.

2. The shareholding structure of [Confidential] is as follows:

Name of Shareholders	Shareholding percentage
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
Total	100%

Note: [Confidential] is not involved into the production or sales of GUC/like goods during the IP.

3. The shareholding structure of [Confidential] is as follows.

Name of Shareholders	Shareholding percentage
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]

[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
Total	100%

Note: [Confidential] is not involved into the production or sales of GUC/like goods during the IP.

4. The shareholding structure of [Confidential] is as follows.

Name of Shareholders	Shareholding percentage
[Confidential]	[Confidential]
[Confidential]	[Confidential]

Note: [Confidential] is not involved into the production or sales of GUC/like goods during the IP.

5. The shareholding details of [Confidential] are indicated as follows.

Name of Shareholders	Shareholding percentage
[Confidential]	[Confidential]
[Confidential]	[Confidential]

Note: [Confidential] is not involved into the production or sales of GUC/like goods during the IP.

6. The shareholding detail of [Confidential] is indicated as follows.

Name of Shareholders	Shareholding percentage
[Confidential]	[Confidential]

Note: [Confidential] is not involved into the production or sales of GUC/like goods during the IP.

7. The shareholding detail of [Confidential] is indicated as follows.

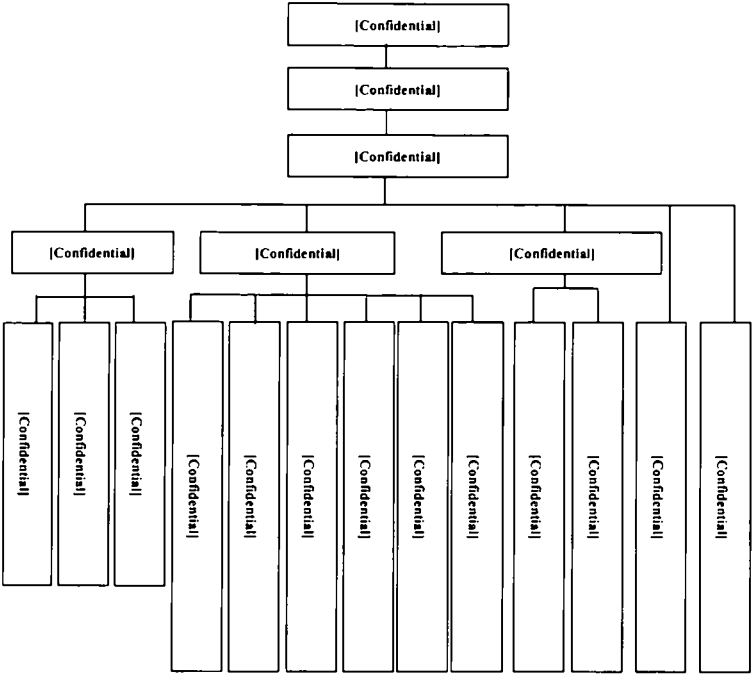


Shandong Welfang Rainbow Chemical Co., Ltd.  
Exhibit A-3.5  
Non Confidential

Name of Shareholders	Shareholding percentage
[Confidential]	[Confidential]

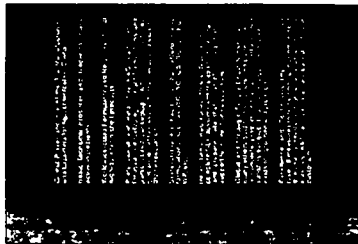
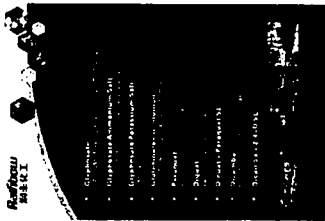
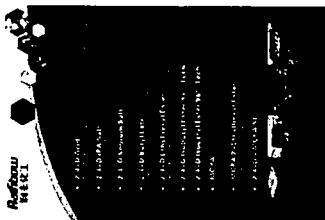
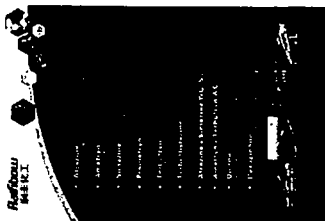
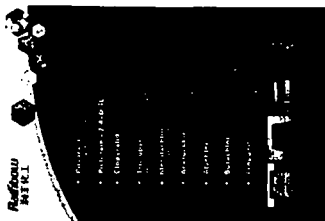
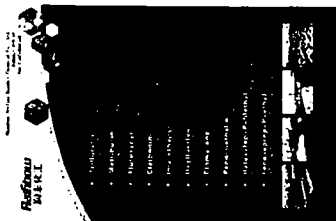
Note: [Confidential] is not involved into the production or sales of GUC/like goods during the IP.

Internal Organizational Chart





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78

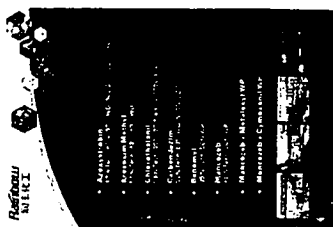
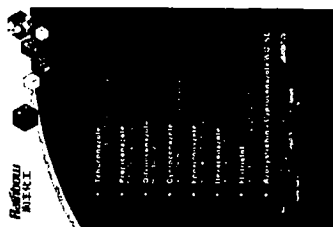
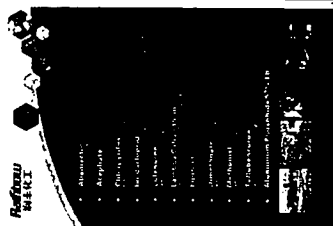
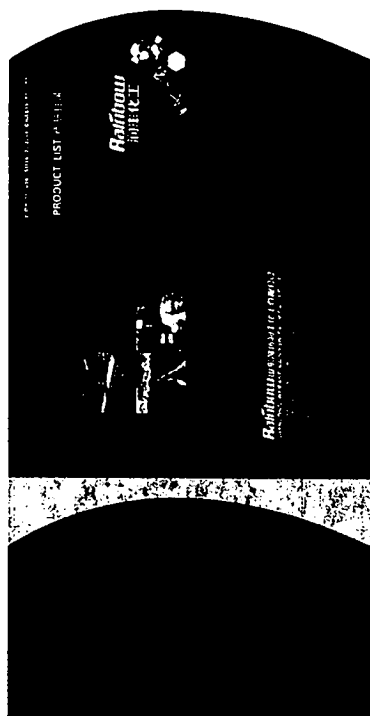


Chart of Accounts	
Account No.	Accounts item
1001	[Confidential]
1002	[Confidential]
1012	[Confidential]
1121	[Confidential]
1122	[Confidential]
1123	[Confidential]
1221	[Confidential]
1231	[Confidential]
1401	[Confidential]
1403	[Confidential]
1405	[Confidential]
1408	[Confidential]
1471	[Confidential]
1511	[Confidential]
1601	[Confidential]
1602	[Confidential]
1604	[Confidential]
1606	[Confidential]
1701	[Confidential]
1702	[Confidential]
1811	[Confidential]
2001	[Confidential]
2201	[Confidential]
2202	[Confidential]
2211	[Confidential]
2221	[Confidential]
2231	[Confidential]
2232	[Confidential]
2241	[Confidential]
4001	[Confidential]
4002	[Confidential]
4101	[Confidential]
4103	[Confidential]
4104	[Confidential]
4301	[Confidential]
5001	[Confidential]
5101	[Confidential]
5301	[Confidential]
6001	[Confidential]
6051	[Confidential]
6301	[Confidential]
6401	[Confidential]
6402	[Confidential]
6405	[Confidential]
6601	[Confidential]
6602	[Confidential]
6603	[Confidential]
6701	[Confidential]
6711	[Confidential]
6801	[Confidential]
6901	[Confidential]

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# Shandong Weifang Rainbow Chemical Co., Ltd.

## INCOME STATEMENT

	Most recent completed financial year 2010		Investigation period (01.01.2011- 31.12.2011)	
	All products	The goods	All products	The goods
Gross Sales (1)	100	100	120	129
Sales returns, rebates and discounts (2)	-	-	-	-
Net sales (3) = (1-2)	100	100	120	129
Raw materials (4)	100	100	114	128
Direct labour (5)	100	100	128	138
Depreciation (6)	100	100	119	203
Manufacturing overheads (7)	100	100	321	475
Other operating expenses (8)	-	-	-	-
Total cost to make (9) = (4+5+6+7+8)	100	100	117	-
Operating income (10) = (3-9)	100	100	145	981
Selling expenses (11)	100	100	100	108
Administrative & general expenses (12)	100	100	97	105
Financial expenses (13)	100	100	166	178
SG&A expenses (14) = (11+12+13)	100	100	107	115
Income from normal activities (15) = (10-14)	100	100	325	3,338
Interest income (16)	100	100	164	177
Interest expense (enter as negative) (17)	100	100	179	193
	100	100	70	75
	100	100	62	67
Extraordinary gains/losses (enter losses as negative) (18)	-	-	-	-
Abnormal gains/losses (enter losses as negative) (19)	-	-	-	-
Profit before tax (20) = (15+16+17+18+19)	100	100	395	3,848
Tax (21)	100	100	-8,775	-67,035
Net profit (22) = (20-21)	100	100	332	3,243

Shandong Welfang Rainbow Chemical Co., Ltd.

A-6 Turnover

	Most recent completed financial year 2010					Investigation period (01/01/2011-31/12/2011)				
	Volume (in liter for goods sold in liquid form (RMBS year))	Value of for goods sold in liquid form (RMBS year)	Volume (in KG for goods sold in solid form (RMBS year))	Value of for goods sold in solid form (RMBS year)	Total value (RMBS year)	Volume (in liter for goods sold in liquid form (RMBS year))	Value of for goods sold in liquid form (RMBS year)	Volume (in KG for goods sold in solid form (RMBS year))	Value of for goods sold in solid form (RMBS year)	Total value (RMBS year)
Total company turnover (all products)	100	100	100	100	100	107	106	106	129	120
Domestic market	100	100	100	100	100	27	94	94	111	103
EXPORTS TO MAINLAND CHINA	100	100	100	100	100	85	85	85	80	87
EXPORTS TO OTHER COUNTRIES	100	100	100	100	100	122	21	21	49	141
Turnover of the sector including the goods										
Domestic market	100	100	100	100	100	112	534	534	564	120
EXPORTS TO MAINLAND CHINA	100	100	100	100	100	100	100	100	100	56
EXPORTS TO OTHER COUNTRIES	100	100	100	100	100	56	53	53	100	58
Turnover of the goods										
Domestic market	100	100	100	100	100	100	100	100	100	179
EXPORTS TO MAINLAND CHINA	100	100	100	100	100	100	100	100	100	56
EXPORTS TO OTHER COUNTRIES	100	100	100	100	100	442	56	56	100	80

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Exhibit B-1 Australia Customer Information

Customer name	Customer level of trade	Address	Contact Person	Telephone	Fax
[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]

[illegible]

[illegible]

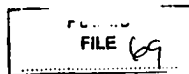


3

[illegible]

Exhibit C-2  
List of all models exported to Australia  
Shandong Weifang Rainbow Chemical Co., Ltd.

Model	Product Description
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]
[Confidential]	[Confidential]



# Shandong Weifang Rainbow Chemical Co., Ltd.

## LIKE GOODS

EXPORTED MODEL [1]	DOMESTIC MODEL [2]	IDENTICAL ? [3]	DIFFERENCES [4]
[Confidential]		[Confidential]	[Confidential]
[Confidential]		[Confidential]	
[Confidential]		[Confidential]	
[Confidential]		[Confidential]	
[Confidential]		[Confidential]	
[Confidential]	[Confidential]	[Confidential]	

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Shandong Weifang Rainbow Chemical Co., Ltd.  
DOMESTIC SALES SUMMARY

S No.	Confirmation No	Customer name	Level of trade	Model	Product code	Invoice number	Invoice date	Date of sale	Order number	Delivery terms
		[1]	[2]	[3]	[4]			[5]	[6]	[7]
1	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
2	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
3	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
4	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]
Total										

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Payment terms	Quantity (Liter)	Units	Quantity (KG)	Units	Packaging type	Gross invoice value	Discounts	Rebates	Other charges	Currency	Net invoice value	Other discounts	Packing	Inland transport
[8]	[9]	[Confidential]	[9]	[Confidential]	[Confidential]	[10]	[11]	[12]	[13]	RMB	[14]	[15]	[16]	[17]
[Confidential]	[Confidential]	[Confidential]	-	[Confidential]	[Confidential]	[Confidential]	[Confidential]	-	-	RMB	[Confidential]	-	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	-	[Confidential]	[Confidential]	[Confidential]	[Confidential]	-	-	RMB	[Confidential]	-	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	-	[Confidential]	[Confidential]	[Confidential]	[Confidential]	-	-	RMB	[Confidential]	-	[Confidential]	[Confidential]
[Confidential]	[Confidential]	[Confidential]	-	[Confidential]	[Confidential]	[Confidential]	[Confidential]	-	-	RMB	[Confidential]	-	[Confidential]	[Confidential]

Handling & other	Warranty expenses	Technical support	Comm	Other costs	Unit Price	Net Amount	Net Unit Price
[18]	[19]	[20]	[21]	[22]			
					[Confidential]	[Confidential]	[Confidential]
					[Confidential]	[Confidential]	[Confidential]
					[Confidential]	[Confidential]	[Confidential]
					[Confidential]	[Confidential]	[Confidential]
					[Confidential]	[Confidential]	[Confidential]

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**Exhibit G-1.1 Production Process**



Glyphosate Tech:

**[Confidential]**

Glyphosate IPA Salt

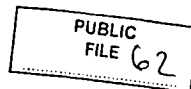
**[Confidential]**

**[Confidential]**

Glyphosate WSG

**[Confidential]**

Shandong Weifang Rainbow Chemical Co., Ltd.



**PRODUCTION (Liquid products)**

	Previous financial year (2009)	Most recent financial year (2010)	Investigation period: (01.01.2011-31.12.2011)
Production capacity* (Liter) [A]	100	100	100
Actual production in volume (Liter) [B]	100	87	70
Capacity utilisation (%) (B/A x 100)	100	87	70

**PRODUCTION (Dry products)**

	Previous financial year (2009)	Most recent financial year (2010)	Investigation period: (01.01.2011-31.12.2011)
Production capacity* (KG) [A]		100	573
Actual production in volume (KG) [B]		100	628
Capacity utilisation (%) (B/A x 100)		100	109

Exhibit G-4.2 Domestic CTMS

Shandong Weifang Rainbow Chemical Co., Ltd.

			COM							
MONTH CODE	Model	PRODUCT CODE	Quantity produced (liter) note 1	Direct Raw Materials: Glyphosate Technical	Direct Raw Materials: Isopropyl amine and ammonium	Direct Raw Materials: Additives	Total other Direct Raw Materials	Direct Labour	Energy	Manufacture Overhead
[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]	[Confidential]

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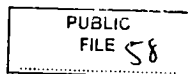
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Exhibit G-4.2.1 Allocation of SG&A of Rainbow  
Shandong Weifang Rainbow Chemical Co., Ltd.

General Ledger	Detail Expenses	Value of IP (2011.1.1-2011.12.31)
Selling Expenses	Wages	(Confidential)
	Checking Fees	(Confidential)
	Registration & Qualification Fees	(Confidential)
	Consulting Fees	(Confidential)
	Technology Services Fees	(Confidential)
	Sample Fees	(Confidential)
	Travel Fees	(Confidential)
	Exhibition Fees	(Confidential)
	Advertisement Fees	(Confidential)
	Packing Fees	(Confidential)
	Delivery Fees	(Confidential)
	Loading Fees	(Confidential)
	Port Fees	(Confidential)
	Insurance Fees	(Confidential)
	Posting Fees	(Confidential)
	Vehicle Fees	(Confidential)
	Operation Fees	(Confidential)
	Telephone Fees	(Confidential)
	Printing Fees	(Confidential)
	Office Fees	(Confidential)
	Other Fees	(Confidential)
Subtotal Selling Expenses		(Confidential)
Administrative Expenses	Wages	(Confidential)
	Welfare Fees	(Confidential)
	Social Insurance Fees	(Confidential)
	Labor Union Operation Fees	(Confidential)
	Employee Education Fees	(Confidential)
	Office Fees	(Confidential)
	Telecommunications Fees	(Confidential)
	Water & Electricity Fees	(Confidential)
	Rental Fees	(Confidential)
	Rental Fees	(Confidential)
	Travel Fees	(Confidential)
	Vehicle Fees	(Confidential)
	Operation Fees	(Confidential)
	Labour service Fees	(Confidential)
	Security Fees	(Confidential)
	Sewage Fees	(Confidential)
	Recruitment Fees	(Confidential)
	Conference Fees	(Confidential)
	Advertisement Fees	(Confidential)
	Society Activity Fees	(Confidential)
		(Confidential)
	Technology Development Fees	(Confidential)
	Auditing & Valuation Fees	(Confidential)
	Consulting Fees	(Confidential)
	Agency Fees	(Confidential)
	Registration & Qualification Fees	(Confidential)
	Depreciation Fees	(Confidential)
	Amortization of intangible assets	(Confidential)
	Taxes	(Confidential)
	Property Insurance Fees	(Confidential)
	Landscape Greening Fees	(Confidential)
	Others	(Confidential)
Subtotal of Administrative Expenses		(Confidential)
Financial Expenses	Exchange gain or loss	(Confidential)
	Services Fees	(Confidential)
	Forfeiting Fees	(Confidential)
Non-operation expenses		(Confidential)
Payment of interest		(Confidential)
Interest revenue		(Confidential)
Subtotal of Financial Expenses		(Confidential)
Total SG&A		(Confidential)
Directly deducted export charges (include Freight, Insurance, Inspection, Custom Declaration Charges, Express Fees in Selling Expenses, and Bank Charges in Financial Expenses) (The Packing fees, Delivery fees, Loading fees, Port fees and Premium paid for export credit insurance have been reported in Exhibit B-4 Australian Sales and Exhibit D-4 Domestic Sales.)		(Confidential)
Net of SG&A		(Confidential)
Total Operating Cost		(Confidential)

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SG&A ITEM	Total actually incurred	Deduct of Direct Selling Expenses	Net of SG&A	Proportion of SG&A in Total Operating Cost
Selling Expenses	(Confidential)	(Confidential)	(Confidential)	(Confidential)
Administrative Expenses	(Confidential)	(Confidential)	(Confidential)	(Confidential)
Financial Expenses	(Confidential)	(Confidential)	(Confidential)	(Confidential)
Total	-	-	-	(Confidential)



[illegible]







地址：山东·济南高新技术开发区舜华路  
730 号济南高新技术创业服务中心六楼  
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传真：0531-88875232, 88875224  
邮箱：rainbowchem@rainbowchem.com  
网址：www.rainbowchem.com

Add: 6th Floor, Gaocunshichuangyong Centre,  
Shunhua Road 730# Jinan, Shandong, China  
Tel: +86-531-88875230, 88875231, 88875227  
Fax: +86-531-88875232, 88875224  
E-mail: rainbowchem@rainbowchem.com  
Http: // www.rainbowchem.com

## Section H - Exporter/Producer's declaration

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

Name : Wang Wencai

Signature : .....

Position in

Company: Chairman of the Board

Date : March 12, 2012

