

**International Trade Remedies Branch
Exporter Questionnaire**

Guangxi Aoning Electric Cables Co., Ltd

Product: Electric cables
From: People's Republic of China
Investigation period: 1 July 2010 to 30 June 2011
Response due by: 19 October 2011
Extended to 9 November 2011
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Australian Customs and Border Protection website:

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 1

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GOODS UNDER CONSIDERATION

The goods under consideration (the goods) ie the goods exported to Australia, allegedly at dumped prices, are:

The goods under consideration are single and multi-core cables insulated with polymeric materials intended for use in electric installations at working voltages up to and including 1 kV with the following characteristics:

- *suitable for connection to mains power supply; and*
- *comply with Australian Standards AS/NZS 5000.1 or AS/NZS 5000.2.*

The goods under consideration fall into the following categories:

- *flat cables, insulated and sheathed, with two cores and earth and with conductor area up to three square millimetres;*
- *building wire, insulated, unsheathed, single core and with conductor area from two to three square millimetres; and*
- *single core double insulated cable, insulated and sheathed and with conductor area from 12 to 60 square millimetres.*

Essentially the cables are formed as follows:

The cables consist of one or a number of copper conductors (or alternatively aluminium conductors) that are insulated with plastic material being either polyvinyl chloride or cross-linked polyethylene. The insulated conductor(s) may then individually or in plurality be further protected with a sheath material of PVC to complete the cable.

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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	Guangxi Aoning Electric Cables Co., Ltd ("Aoning")
Name	Madam Duan Lanfang
Position in the company	Vice General Manager Guilin International Wire and Cable Group Co., Ltd * ("Guilin International")
Address	No.41 Canluan Road Guilin Guangxi China 541004
Telephone	+86 773 583 1946
Facsimile number	+86 773 582 8959
E-mail address of contact person	dlf@guilincable.com

* **Note: Guilin International is coordinating the response of Aoning and other relevant companies in the Group.**

Factory	As above
Address	No.8, Hi-Tech and Industrial Zone Nanning Guangxi China 530003
Telephone	+86 771 321 0916
Facsimile number	+86 771 321 2410
E-mail address of contact person	dlf@guilincable.com

To assist Customs in understanding the physical location of the factory, in relation to the other companies in the Group, please see Attachment 1.

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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	Daniel Moulis
Organisation	Moulis Legal
Position	Principal
Address	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory 2609
Telephone	+61 2 6163 1000
Facsimile number	+61 2 6162 0606
E-mail address of contact person	daniel.moulis@moulislegal.com

Note: All communications in relation to this matter should be directed to Moulis Legal in the first instance.

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.

The legal name of the business concerned is Guangxi Aoning Electric Cables Co., Ltd.

Aoning is registered as a limited liability company (joint venture with foreign investment). See Attachment 2 – Business Certificate.

Aoning does not use any other business names to export or sell goods.

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List

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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).

The owners of Aoning are Guilin International Wire and Cable Group Co., Ltd and Electra Cables (Aust.) Pty. Ltd ("Electra Cables").

The respective percentages of shareholding are as follows:

- [CONFIDENTIAL TEXT DELETED – ownership detail]
- [CONFIDENTIAL TEXT DELETED – ownership detail]

See corporate structure at Attachment 3 [Confidential]

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

Under Chinese law, a company is a subsidiary of another company if the other company holds more than 50% of its issued shares.

[CONFIDENTIAL TEXT DELETED – ownership detail]

The principal shareholders of Guilin International are:

- [CONFIDENTIAL TEXT DELETED – ownership detail]
- [CONFIDENTIAL TEXT DELETED – ownership detail]

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

[TEXT DELETED – CONFIDENTIAL INFORMATION]

Guilin Xin Ao is a privately owned limited liability company.

Its shareholders are numerous private individuals.

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

See corporate structure at Attachment 3 [Confidential].

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

No.

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

Aoning is a manufacturer of electric cables.

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.

Aoning performs all of these functions.

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

See Aoning's company internal organization chart at Attachment 4 [Confidential].

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

Aoning is a non-public listed company and does not publish an "annual report".

Please refer to Attachment 5 for a company brochure of Guilin International.

A-4 General accounting/administration information

1. Indicate your accounting period.

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Aoning's accounting period is the calendar year, from 1 January to 31 December.

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

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

They are also electronically available at the address of Guilin International.

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;

See Attachment 6 [Confidential] for Aoning's Chart of Accounts.

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

See Attachment 7 [Confidential] for audited financial statement for 2009 and 2010.

See Attachment 8 [Confidential] for quarterly financial statements covering July 2010 to June 2011.

- 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.

See Attachment 7 [Confidential] and Attachment 8 [Confidential].

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.

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years,

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together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Aoning is required to have its accounts audited.

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

Aoning's accounting practices are in accordance with Chinese GAAP.

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 (eg last in first out –LIFO, first in first out- FIFO, weighted average);

Aoning uses the weighted average actual costing method to move goods from raw material to finished goods inventory

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

Costs are allocated based on standard consumption for each specific model. Please refer to Section G for more information.

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

For damaged cables, copper material is melted and re-introduced into production. Damaged insulating material, such as PVC, is sold as scrap.

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

Total cost of production is offset by the sales value of scrap at the end of each month.

- valuation and revaluation methods for fixed assets;

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The fixed assets are valued based on actual cost at the time of acquisition.

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

The depreciation of fixed assets adopts the straight line method. The depreciation rates are determined in accordance with original value of types of fixed assets, estimated useful age with residual rate deducted (10% of original price), the yearly depreciation rate are as follows:

Type of fixed asset	Useful life (years)	Residual rate	Yearly depreciation rate (%)
House and buildings	20	10%	4.5
Transportation and other equipment	5	10%	18
Machinery	10	10%	9
Electronic equipments	5	10%	18

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

The standard money unit used for accounting is RMB. The foreign currency economic business shall be accounted with the amount incurred converted into RMB based on the market exchange price issued by People's Bank of China. At the end of each period, the balance of foreign currency account is adjusted according to the average rate issued by People's Bank of China, and the difference is taken up in current financial expenses.

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

See the above response.

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- inclusion of general expenses and/or interest;

Booked ongoing each month.

- provisions for bad or doubtful debts;

Not applicable

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

Not applicable

- costs of plant closure;

Not applicable

- restructuring costs;

Not applicable

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

For copper scrap, it was valued according to [CONFIDENTIAL TEXT DELETED – costing principle adopted]. Plastic scrap is valued at its selling price.

- effects of inflation on financial statement information.

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.

There have been no significant changes to Aoning's accounting method in the last two years.

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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.

See Attachment 9 [Confidential], Income statement.

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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.

See Attachment 10 [Confidential], Turnover.

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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:

Company name	Electra Cables (Aust) Pty Ltd
Address	1/13 Cooper Street Smithfield New South Wales 2164
Contact person	Mr Adam Chen
Telephone	+61 2 8786 5200
Facsimile number	+61 2 8786 5288
Level of trade	Importer/distributor

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.

All sales to Electra are FOB. Aoning manufactures the goods and arranges for them to be transported to the designated port for shipping

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to Australia.

Goods are transferred to the customer upon loading the goods on to the ship.

The customer will then arrange for customs clearance and formalities in Australia.

- 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.

There are three modes of distribution for Australian sales. In physical terms, there are no differences between the three modes. The differences are in the company/trader documentation used.

The first of these is where Aoning manufactures the goods to Electra's order and then makes them available at the port for collection by Electra (FOB) for shipment directly to Electra without any third party trading agent or facilitation involved. [CONFIDENTIAL TEXT DELETED – details of sales route]

The second type follows the same physical route, however involves [CONFIDENTIAL TEXT DELETED – details of sales route]

The third mode involves inter-company transfer of the goods to Guilin International, with the export documentation thereafter indicating that Guilin International was the exporter of the goods to Electra. [CONFIDENTIAL TEXT DELETED – details of sales route]

- 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.

In accordance with the FOB Incoterm, ownership of the goods exported by Aoning to the Australian customer without the interposition of a third party trading entity, or Guilin International, transfers upon loading onto the vessel.

For the sales facilitated by a trader, the ownership of the goods is transferred [CONFIDENTIAL TEXT DELETED – contractual relationships of parties].

For the sales via Guilin International, the transfer takes place [CONFIDENTIAL TEXT DELETED – contractual relationships of parties].

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

There are no such agreements. As will be apparent from the corporate structure diagrams, the Guilin group companies are related to Electra. Nonetheless pricing is approached on a fully commercial basis, taking into account cost recovery, profitability and market conditions.

[CONFIDENTIAL TEXT DELETED – negotiation of prices and factors involved]

- 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.

1 Price

[CONFIDENTIAL TEXT DELETED – commercial factors taken into account in setting price offer].

Electra Cable will take into account its Australian market conditions and its own profitability when reviewing the proposed prices.

[CONFIDENTIAL TEXT DELETED – process by which pricing is agreed between the parties]

[CONFIDENTIAL TEXT DELETED – process by which pricing is agreed between the parties]

To demonstrate these commercial, documented procedures please see the following:

- **Attachment 11 [Confidential] - examples of pricing meeting minutes and changed price notices during the POI;**
- **Attachment 12 [Confidential] - spreadsheet containing the export price lists for the GUC during the POI, reflecting the outcomes of the negotiation processes.**

2 Ordering

Orders are received from Electra Cables.

3 Invoice and delivery

A commercial invoice is issued at the time of shipment. Aoning will arrange inland delivery from the factory to the designated port. The Australian customer will arrange for the carriage of goods by sea.

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4 Payment

The Australian customer remits funds for the credit of Aoning according to the practice in place under the sale of goods contract and invoice.

- 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).

Aoning is related to Electra as indicated in Section A of this EQ.

Price is [CONFIDENTIAL TEXT DELETED – way in which price determined for sales to unrelated customers] as described above.

There are no financial or other arrangements with Electra other than the price.

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

See Attachment 13 [Confidential], Forward orders.

- 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.

Not applicable. The prices in all of the export sales of Aoning's products to Australia are at the manufacturer to distributor level.

- 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
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

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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 eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
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.

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See Attachment 14 [Confidential], Australian sales.

- The sales in Attachment 16 which take place via [CONFIDENTIAL TEXT DELETED – breakdown of types of sales and how reflected in spreadsheets].

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.

Selling expenses are quantified in the relevant CTMS charts.

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.

[CONFIDENTIAL TEXT DELETED – discount/rebate policies].

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.

[CONFIDENTIAL TEXT DELETED – discount/rebate policies]

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

Import duties	Amount of import duty paid in Australia
Inland	Amount of inland transportation expenses within Australia included in the selling

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transport	price
Other costs	Customs brokers, port and other costs incurred (itemise)

Not applicable.

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

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

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

See Attachment 15 [Confidential], Australian sales documentation

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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.

The model types of the goods falling within the definition of the GUC are listed in Attachment 14 [Confidential], Aoning Australian sales.

Technical and illustrative material is at Attachment 16.

- 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).

The model types of the goods falling within the definition of the GUC are listed in Attachment 14 [Confidential], Australian sales. They are:

- **[CONFIDENTIAL TEXT DELETED – list of model types]**

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

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

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

Prepare this information on a spreadsheet named "Like goods".

See Attachment 17 [Confidential], Model concordance chart.

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- 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.

Technical and illustrative material is at Attachment 18 [Confidential], which is the detailed technical and illustrative material product catalogue of Guillin International.

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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.

Aoning's domestic customers for the GUC are, unrelated distributors, branch distributors and end users. Sales are encouraged by the domestic sales team, who operate in the field from branch offices.

When an established business relationship is in place orders will come direct by telephone to the branch or to the factory sales department.

Sales are [CONFIDENTIAL TEXT DELETED – conventional manner in

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which sales take place]

- 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.

Prices for domestic sales are negotiated by the sales force, based on [CONFIDENTIAL TEXT DELETED – pricing conventions used] issued by the factory and corporate management. Prices to Branch offices (related sales branch companies in different locations) are distributor level sales, established on a commercial basis.

In those negotiations it would be likely that prices to end users would generally be higher than sales to distributors. However the main variant would be due to volume purchased by the customer, both in the order itself and in annual/return business terms.

The price differences between sales to end users and sales to distributor varies depending on the areas.

No salesman can agree to a price which is [CONFIDENTIAL TEXT DELETED – price negotiation policy]

- 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.

Price is negotiated on a sale-by-sale basis using [CONFIDENTIAL TEXT DELETED – manner of price setting]

Salespersons market the cables and approach their business contacts to make sales. They relay the orders to Aoning and the factory despatches the product to the customer or branch concerned.

Sales to established customers can take place by way of telephone order placed directly with Aoning.

In most cases the goods are delivered to the customer by Aoning at Aoning's cost. This is included in the price. However in some cases goods are collected at the factory by the customer.

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Aoning's domestic customers are requested to make payment [CONFIDENTIAL TEXT DELETED – payment terms]. Some customers pay upon delivery.

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

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/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	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg
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 incurred in relation to the domestic sales (include additional columns as required). See question D5.

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

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See Attachment 19 [Confidential], Domestic sales.

- 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.

Selling expenses are quantified in the relevant CTMS charts.

- 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.

[CONFIDENTIAL TEXT DELETED – commission policies]

- 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 verification.

See Attachment 20 [Confidential], Domestic sales documentation.

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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

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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.

Exported goods are delivered to port on Gullin International's trucking fleet. [CONFIDENTIAL TEXT DELETED – details of types of costs incurred]

Most export sales were handled by Guilin International. [CONFIDENTIAL TEXT DELETED – recording of transportation expenses]

The overall expenses were allocated by the consolidated exported quantity in the POI to derive unit transportation cost.

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.

Handling and brokerage expenses incurred at the port of export are recorded in "Freight for export" in the selling expenses ledger

Allocating those said expenses in the same manner as explained for "Transportation".

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.

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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.

[CONFIDENTIAL TEXT DELETED – price negotiation and credit terms]

[CONFIDENTIAL TEXT DELETED – clarification of credit terms]

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'**.

Export cables are on large reels. Plastic covers protect and hold the reels on the pallet for export.

Packing costs are included in "material cost". There is also a labour component.

The company intends to quantify the adjustment, to the best of its ability, in order to present that adjustment at the verification.

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.

[CONFIDENTIAL TEXT DELETED – export sales commission policy]

6. Warranties, guarantees, and after sales services

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

[CONFIDENTIAL TEXT DELETED – export sales support]

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7. Other factors

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

Not applicable.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the 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.

Not applicable.

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).

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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.

Please see Attachment 17 [Confidential], Model concordance chart, for the comparisons between the identified GUC and its comparable domestic models, with the specification differences identified.

The specification differences for most models are largely due to different standards. The amount of any adjustment is negligible and difficult to calculate.

For example, where a different number of strands are used for conductors of the export model and its domestic "like" model, the difference lies in the structure. However the cost is largely determined by the amount of copper or aluminium used for producing the conductors. The strands have the same copper content as the comparable domestic model, thus the amount of metal used is the same.

Production cost is further affected by the efficiency of the production line. An additional process, such as the drawing and bundling of strands for export models, does not mean there is an additional cost. Larger volumes and a designated model production line can reduce running costs in comparison to the domestic model.

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

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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.

VAT exclusive prices are recorded in Attachment 19 [Confidential]. All VAT is refunded on export. There is no difference requiring adjustment.

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

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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.

As described in D-4, Aoning's domestic sales include sales to distributors/wholesaler, as well as to end users. On the other hand, all Aoning's export sales are at the importer/distributor level.

The information is being reviewed in order to identify whether there are consistent price differences for the different levels of trade involved.

The company intends to quantify the adjustment, to the best of its ability, in order to present that adjustment at the verification.

4. Credit

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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.

Please refer to Attachment 21 [Confidential] for the short term borrowing interest rates.

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.

Trading terms are [CONFIDENTIAL TEXT DELETED – price negotiation and credit terms]

Domestic distributors, wholesalers as well as end users who buy large volume are [CONFIDENTIAL TEXT DELETED – credit terms for particular types of customers].

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

1 Calculate an accounts receivable turnover ratio

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

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

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

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

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

2 Calculate the average credit period

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

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

The company intends to quantify the adjustment, to the best of its ability, in order to present that adjustment at the verification.

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

5. Transportation

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

Aoning's domestic sales are sold on delivered terms. These costs have been allocated by the overall domestic sales quantity in the POI to derive the unit domestic transportation cost.

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.

No costs separate to transportation are incurred and/or are difficult to

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quantify.

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**".

Packaging for domestic products is different to export products. Domestic products are packed individually (reel) with fabric bag. The lengths are much shorter on average, meaning that there are more reels. The bags must then be manually tied by hands. Further, some domestic customers also request the packing bags to be painted.

These methods requires more labour than the packing for export.

The cost of packing for domestic products is therefore slightly higher than the packing cost for export products.

The company intends to quantify the adjustment, to the best of its ability, in order to present that adjustment at the verification.

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.

[CONFIDENTIAL TEXT DELETED – domestic sales commission policies]

[CONFIDENTIAL TEXT DELETED – domestic sales commission policies]

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

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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.

Any such costs are taken up in selling expense adjustments quantified by Aoning.

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;

Aoning incurs a higher cost for storing the goods for domestic sales because domestic sales are made from inventory, whereas export sales are made to order and therefore the export goods stay shorter to nil time in the warehouse.

The company intends to quantify the adjustment, to the best of its ability, in order to present that adjustment at the verification.

- *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*.

Aoning has different selling expenses for domestic sales as compared to export sales.

The company has quantified the adjustment, to the best of its ability, and will check its quantification in order to present that adjustment at the verification.

E-3 Duplication

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

For example:

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- 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.

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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.

[CONFIDENTIAL TEXT DELETED – details of model types sold in export sales]

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"

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

[CONFIDENTIAL TEXT DELETED – details of model types sold in export sales]

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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.

See Attachment 22 [Confidential], Production flowchart.

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

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	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".

See Attachment 23 [Confidential], Production.

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.

Aoning maintains a computerized accounting system: see Attachment 24 [Confidential] for accounting system flowchart.

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.

Not applicable. Aoning uses the weighted average actual costing method to move goods from raw material to finished goods.

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

No significant or unusual cost variances occurred during the POI.

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

There were no separate profit/cost centres in the company cost

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accounting system, the company applied its profits/cost centre on the company overall basis.

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.

There were no separate profit/cost centres in the company cost accounting system.

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

The overall actual costs as consumed or incurred were calculated and then allocated to each model on a monthly basis, on their standard weight or costs.

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

There are no such valuation differences.

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.

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.

Not applicable.

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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 trade².

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.

Unit cost to make and sell is worked out by allocating the costs based on the revenue and quantity of the goods.

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 ¹				
Direct labour				
Manufacturing overheads				
Other costs ²				
Total cost to make				
Selling costs				
Administration costs				
Financial costs				
Delivery expenses ³				
Other costs ³				
Unit cost to make and sell				

Prepare this information in a spreadsheet named “Domestic CTMS”.

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

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

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** 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.

² 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.

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Please specify unit of currency.

See Attachment 25 [Confidential], Domestic CTMS.

Aoning has reported its CTM based on monthly production calculation worksheets as maintained in the normal course of accounting, and allocated the SG&A expenses for the POI.

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" ¹				
Material costs ¹				
Direct labour				
Manufacturing overheads				
Other costs ²				
Total cost to make				
Selling costs				
Administration costs				
Financial costs				
Delivery expenses ³				
Other costs ³				
Unit cost to make and sell				

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

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

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

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

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

See Attachment 26 [Confidential], Australian CTMS.

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

Where there are domestic sales of the identical model as for export sales, the cost to make is the same.

Where there is no identical model sold domestically, the cost to make the like goods for the domestic market might be marginally different from the cost to make the matching model of GUC.

The cost to make domestic models is generally higher than the cost to make export models. This is because export models are made in higher volume with a designated production line, which makes them more efficient and economical to make.

The selling costs of the goods sold domestically are different from the costs to sell the goods for export in at least the following respects:

- **Salesperson's salaries.**
- **Freight - all export sales were FOB. Aoning incurs the inland transportation cost from factory to port. Domestic delivery cost varies depend on distances.**
- **Packaging cost – this may also differ between goods for export and for domestic.**
- **Warranty - [CONFIDENTIAL TEXT DELETED – after sales service and support].**

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.

No significant differences apparent.

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.

Not applicable

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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.

Only copper accounts for more than 10% of production cost. A list of major suppliers is provided at Attachment 27 [Confidential].

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SECTION H - EXPORTER'S DECLARATION

Please see Attachment 28 [Confidential]

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SECTION I - CHECKLIST

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

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

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

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企业法人营业执照

(副本)

注册号 企合南宁总副字第450100400004664号

名称 广西澳宁电线电缆有限责任公司

住所 南宁市高新二路2号

法定代表人 周本飞

注册资本 贰仟肆佰伍拾万人民币

实收资本 贰仟肆佰伍拾万人民币

公司类型 有限责任公司(中外合资)

经营范围 电线电缆的生产及销售。(凡涉及许可证的项目凭许可证在有效期内经营)

股东(发起人) ELECTRA CABLES(AUST) PTY LIMITED
桂林国际电线电缆集团有限公司

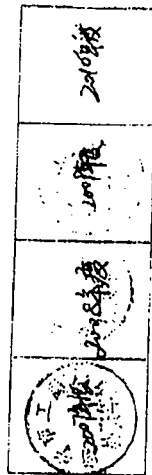
营业期限 自 2003年11月03日 至 2023年11月03日
成立日期 2003年10月29日

编号: N00382740

须知

1. 《企业法人营业执照》是企业法人资格和合法经营的凭证。
2. 《企业法人营业执照》分为正本和副本,正本和副本具有同等法律效力。
3. 《企业法人营业执照》正本应当置于住所内醒目位置。
4. 《企业法人营业执照》不得伪造、涂改、出借、质押、转让。
5. 登记事项发生变更,应当及时向登记机关申请变更登记,获准《企业法人营业执照》。
6. 每年三月一日起至六月三十日,应当参加年检。
7. 《企业法人营业执照》被吊销后,不得开展与清算无关的经营活动。
8. 办理注销登记,应当交回《企业法人营业执照》正副本。
9. 《企业法人营业执照》遗失或毁损,应当在公司登记机关指定的报纸上声明作废,申请补领。

年度检验情况



公司每年年检时间为3月1日至6月30日,年检通过后方能开展经营活动。

登记机关 南宁市工商行政管理局

二〇〇六年 月 日