



Exporter Questionnaire

Product: Aluminium extrusions

From: The People's Republic of China (China)

Period of Review: 1 July 2017 – 30 June 2018

Response due by: **20 August 2018**

Important note: The timeliness of your response is important. Please refer below for more information.

Review case manager: Leisa Baynham

Phone: +61 2 6276 1404

Fax: +61 3 8539 2499

E-mail: investigations4@adcommission.gov.au

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

Return completed questionnaire to: investigations4@adcommission.gov.au

OR

Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601
Australia

Attention: Director Investigations 4

GOODS UNDER CONSIDERATION

The goods the subject of the current anti-dumping measures (the goods) are:

Aluminium extrusions produced via an extrusion process, of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents), with the finish being as extruded (mill), mechanical, anodized or painted or otherwise coated, whether or not worked, having a wall thickness or diameter greater than 0.5 mm, with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421 mm.

The goods include aluminium extrusion products that have been further processed or fabricated to a limited extent, after aluminium has been extruded through a die. Aluminium extrusion products that have been painted, anodised, or otherwise coated, or worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

The goods do not extend to intermediate or finished products that are processed or fabricated to such an extent that they no longer possess the nature and physical characteristics of an aluminium extrusion, but have become a different product.

Consistent with previous investigations, the review will also rely upon the information shown in the table below in its assessment of the goods under consideration and like goods.

< GUC >				< Non GUC >		
1	2	3	4	5	6	7
Aluminium extrusions	Aluminium extrusions with minor working	Aluminium extrusions that are parts intended for use in intermediate or finished products	Aluminium extrusions that are themselves finished products	Unassembled products containing aluminium extrusions, e.g. 'kits' that at time of import comprise all necessary parts to assemble finished goods	Intermediate or partly assembled products containing aluminium extrusions	Fully assembled finished products containing aluminium extrusions
< Examples >						
Mill finish, painted, powder coated, anodised, or otherwise coated aluminium extrusions	Precision cut, machined, punched or drilled aluminium extrusions	Aluminium extrusions designed for use in a door or window	Carpet liner, fence posts, heat sinks	Shower frame kits, window kits, unassembled unitised curtain walls	Unglazed window or door frames	Windows, doors

PUBLIC RECORD

Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd.

3

The goods subject to the anti-dumping measures may be classified to the following subheadings in Schedule 3 of the *Customs Tariff Act 1995*:

7604.10.00/06	non alloyed aluminium bars, rods and profiles
7604.21.00/07	aluminium alloy hollow angles and other shapes
7604.21.00/08	aluminium alloy hollow profiles
7604.29.00/09	aluminium alloy non hollow angles and other shapes
7604.29.00/10	aluminium alloy non hollow profiles
7608.10.00/09	non alloyed aluminium tubes and pipes
7608.20.00/10	aluminium alloy tubes and pipes
7610.10.00/12	doors, windows and their frames and thresholds for doors
7610.90.00/13	Other

TABLE OF CONTENTS

GOODS UNDER CONSIDERATION	1
TABLE OF CONTENTS	4
INSTRUCTIONS	5
BACKGROUND	5
WHY YOU HAVE BEEN ASKED TO FILL OUT THIS QUESTIONNAIRE?	5
WHAT HAPPENS IF YOU DO NOT RESPOND TO THIS QUESTIONNAIRE?	5
DUE DATE FOR RESPONSE	6
CONFIDENTIAL AND NON-CONFIDENTIAL SUBMISSIONS	6
EXPORTER'S DECLARATION	7
VERIFICATION OF THE INFORMATION THAT YOU SUPPLY	7
IF YOU DO NOT MANUFACTURE THE GOODS	7
IF YOU DO NOT EXPORT THE GOODS	8
OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE	8
SOME GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE	9
INSTRUCTIONS ON PROVIDING ELECTRONIC DATA	9
FURTHER INFORMATION	10
SECTION A COMPANY STRUCTURE AND OPERATIONS	11
A-1 IDENTITY AND COMMUNICATION	11
A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF REVIEW	11
A-3 COMPANY INFORMATION	12
A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION	17
A-5 INCOME STATEMENT	22
A-6 SALES	23
SECTION B SALES TO AUSTRALIA (EXPORT PRICE)	25
SECTION C EXPORTED GOODS & LIKE GOODS	33
SECTION D DOMESTIC SALES	36
SECTION E FAIR COMPARISON	41
E-1 COSTS ASSOCIATED WITH EXPORT SALES	42
E-2 COSTS ASSOCIATED WITH DOMESTIC SALES	45
E-3 DUPLICATION	52
SECTION F EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)	53
G-1 PRODUCTION PROCESS AND CAPACITY	55
G-2 PROVIDE INFORMATION ABOUT YOUR COMPANY'S TOTAL PRODUCTION IN THE FOLLOWING TABLE:	56
G-3 COST ACCOUNTING PRACTICES	56
G-4 COST TO MAKE AND SELL ON DOMESTIC MARKET	59
G-5 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)	60
G-6 MAJOR RAW MATERIAL COSTS	63
SECTION H – COUNTERVAILING	65
H-1 PREFERENTIAL INCOME TAX PROGRAMS (PROGRAMS 18, 47 AND 48)	67
H-2 GRANTS AND PREFERENTIAL POLICIES (PROGRAMS 2, 3, 4, 5, 6, 7, 8, 9, 26, 29, 32, 35, 56 AND 58)	76
H-3 TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND EQUIPMENT (PROGRAM 21)	81
H-4 ALUMINIUM PROVIDED BY GOVERNMENT AT LESS THAN ADEQUATE REMUNERATION (PROGRAM 15)	89
H-5 ANY OTHER PROGRAMS	92
SECTION J CHECKLIST	93
APPENDIX GLOSSARY OF TERMS	94

INSTRUCTIONS

Background

The Anti-Dumping Commission (the Commission) has initiated a review of the anti-dumping measures (in the form of a dumping duty notice and a countervailing duty notice) applying to certain aluminium extrusions (the goods) exported to Australia from the People's Republic of China (China). The review will examine whether the variable factors (export price, normal value, non-injurious price and the amount of countervailable subsidy received) relevant to the taking of the anti-dumping measures have changed.

The anti-dumping measures were initially imposed by public notice on 28 October 2010 following publication of Trade Remedies Branch Report No. 148.

Anti-Dumping Notice (ADN) No. 2018/111 outlines the details of this review. The procedures to be followed during reviews can be accessed on the Commission's website at www.adcommission.gov.au.

Why you have been asked to fill out this questionnaire?

The Commission will use the information you provide to determine normal values and export prices over the review period. This information will determine whether the variable factors have changes. You may make separate submissions concerning any other matter, for example injury.

The Commission review will be carried out under the provisions of the Part XVB of the *Customs Act 1901*.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem you uncooperative. In that case the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry). In that case we may assess a dumping margin for your company based upon normal values that may be the highest determined in your country during the review period.

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

Due date for response

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

The Commissioner must consider the direction from the Minister for Industry, Innovation and Science as set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Direction). This Direction sets out the particular considerations that the Commissioner must take into account when:

- deciding whether a longer period is reasonably required or practicable under subsection 269TC(6) and 269TC(9) of the Customs Act 1901 (the Act), or considering whether to allow any interested party a longer period to give any response;
- considering an insufficient response from an interested party;
- determining whether to have regard to a late response;
- determining whether an exporter is an uncooperative exporter;
- determining whether or not an entity is a non-cooperative entity for the purposes of section 269TAACA; and
- determining whether an entity has significantly impeded a case.

The full text of the Direction and the accompanying explanatory statement is available on the Comlaw website at www.comlaw.gov.au. This and other reforms to Australia's anti-dumping system are explained in Anti-Dumping Notice 2015/129, available on the Commission's website at www.adcommission.gov.au.

Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that *each page* of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

Please note, Australia's anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party's understanding of information contained in a document.

As provided for in Australia's anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the review case manager.

Exporter's declaration

At section I, you are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of review, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

Verification of the information that you supply

The Commission will seek to verify the information provided in your submission. Where there are a large number of exporters, the Commission may have to verify information from selected exporters only. The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits take several days. We will want to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit. We will provide you with a draft of the report and then respond to any questions you have. We will ask you to prepare a non-confidential copy of the report for the public record.

If you do not manufacture the goods

You may export but not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods).

In such cases it is important that you forward a copy of this questionnaire to the relevant manufacturers **immediately**. You should also inform the review case officer of the contact details for these manufacturers.

You should complete those sections of the questionnaire that you are reasonably able to complete. If, for example, you are unable to supply details of production costs, you should clearly explain why the section does not apply to your company.

If you do not export the goods

Depending on the arrangement for sale of the goods to Australia through an intermediary, the Commission will have to determine who is the exporter of the goods for the purpose of this review.

In any case, information (such as cost of production data) supplied by the manufacturer will be relevant to establishing the normal value of the goods. In the absence of verified information, the Commission may use other available information. This information may result in a decision less favourable to your company.

Outline of information required by this questionnaire

- | | |
|-------------------|---|
| Section A | General information relating to your company including financial reports |
| Section B | A complete list of your company's exports to Australia over the review period |
| Section C | A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods under consideration (the goods) |
| Section D | A detailed list of all of your company's sales of like goods in your domestic market |
| Section E | Information to allow a fair comparison between export and domestic prices |
| Section F | Information in relation to your company's exports of like goods to countries other than Australia |
| Section G | Costs to make and sell, for exports to Australia and for the domestic market |
| Section H | Information regarding subsidisation programs relevant to your company |
| Section I | Your declaration |
| Section J | A checklist |
| Appendix 1 | A glossary of terms used in this questionnaire |

Some general instructions for preparing your response

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

Instructions on providing electronic data

- It is important that information is submitted in electronic format.
- Electronic data should be emailed or submitted on a CD-ROM, in IBM/MS-DOS format, or another operating system whose disk format is compatible with this MS-DOS version.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file).
- The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the review case officer as soon as possible.

Further information

Before you respond to the questionnaire you should read all the documentation enclosed with this application including the applicant's non-confidential submission and the Anti-Dumping Notice notifying the initiation of the review. We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your submission, please contact the review case manager. The Commission will need to know the reasons.

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 review:

Head Office: **Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd.**

Name: **Lei Li Quan**

Position in the company: **CEO**

Address: **Shiqiao Industrial Zone, Dajiang County, Taishan City, Guangdong Province, PRC**

Telephone: **(86) 750 543 8596**

Facsimile number: **(86) 750 543 8173**

E-mail address of contact person: lilei@kamkiu.com

Factory:

Address: **Shiqiao Industrial Zone, Dajiang County, Taishan City, Guangdong Province, PRC**

Telephone: **(86) 750 543 8596**

Facsimile number: **(86) 750 543 8173**

E-mail address of contact person: lilei@kamkiu.com

A-2 Representative of the company for the purpose of review

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

Name: **Zhong Lun Law Firm**

Address: **28, 31, 33, 36, 37/F, SK Tower, 6A Jianguomenwai Avenue, Chaoyang District, Beijing 100022, P.R. China**

Telephone: **86-10-59572288**

Facsimile/Telex number: **86-10-65681838**

E-mail address of contact person: liujianwei@zhonglun.com;
tongjingjing@zhonglun.com

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

A-3 Company information

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

Answer:

The legal name of the company is Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd. (KAE). It is a wholly foreign-owned enterprise established under Chinese Company Law. No other business name is used by KAE 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 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:

KAE is [LIMITED] owned by [LIMITED]. [LIMITED] was incorporated in [LIMITED] as an investment holding company, which is [LIMITED] owned by [LIMITED], a private investment holding company incorporated in [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's structure and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

KAE is [LIMITED] owned by [LIMITED].

[LIMITED] is [LIMITED] owned by [LIMITED], a private investment holding company incorporated in [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

[LIMITED] is owned by two shareholders:

[LIMITED], an investment holding in [LIMITED], holds [LIMITED] shares of [LIMITED];

[LIMITED], an investment holding in [LIMITED], holds [LIMITED] shares of [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 [LIMITED] for the corporate structure.

From this corporate structure, it is clear that all related companies are [LIMITED] owned by [LIMITED]. Thus, all companies, including KAE, Kam Kiu Aluminium Products Sdn. Bhd. (KMY) and Kam Kiu (Hong Kong) Limited. (KHK) owned by [LIMITED] consist of a single economic entity.

[Information contained in the above response and Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's corporate structure information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

There was no such kind of fee or allocation charged to KAE.

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

Answer:

KAE is the producer of GUC.

During the first half of Period of Review (“POR”), i.e. July 2017 to December 2017, KAE exported the GUC to Australia through its related company KMY. KMY was incorporated in Malaysia and operated in Macau, which has been identified by the Investigation Authority as the importer of the GUC into Australia.

During the second half of POR, i.e. January 2018 to June 2018, KAE exported the GUC to Australia through another of its related company, KHK.

It is because of the Kam Kiu Group’s internal restructuring that KHK instead of KMY, would export the GUC manufactured by KAE to foreign countries, including Australia from the beginning of 2018. KHK is affiliated with KAE and KMY as they are all [LIMITED] owned by the same ultimate shareholder [LIMITED].

Before the replacement, the sales channel of Kam Kiu group was as follows,



After the replacement, the sales channel of Kam Kiu group was changed to:



While there was no fundamental difference between the business models of KHK and KMY, the change was triggered by the difficulty of managing the Malaysian company due to the fact that there is no physical existence of the company at Malaysia, on the other hand Hong Kong management can closely monitor the operation when the overseas trading business is executed in Hong Kong.

Please note that the mere change of trading company does not cause any material change to the sales channel as well as export arrangement of KAE, since International Sales Vice President is the decision maker for the price of exports, no matter prior to or after the change. Meanwhile, since KAE, KMY and KHK are all [LIMITED] owned subsidiaries of [LIMITED], we consider that this is simply an internal rearrangement and such rearrangement does not affect the benefit of overseas customers in any way.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company’s commercial activities and sensitive business information, disclosure of which could harm the Company’s market and competitive position.]

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:
- produce or manufacture
 - sell in the domestic market
 - export to Australia, and
 - export to countries other than Australia.

Answer:

KAE performs all four functions, i.e. producing the GUC, selling GUC in the domestic market, exporting the GUC to Australia and exporting the GUC to countries other than Australia.

During the first half of the POR, the export function was performed by KAE and KMY together, that is KAE exported to Australia and other countries through KMY. As mentioned above, KMY has been identified by the Investigation Authority as the importer of the GUC into Australia. In addition, KAE exported to Hong Kong and Macau through KHK.

During the second half of the POR, the export function was performed by KAE and KHK together, that is KAE exported to Australia and other countries through KHK.

Besides, there were some direct export sales to countries other than Australia including [LIMITED] by KAE.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 [LIMITED]** for the internal organisation chart. The function of each department can be inferred from each department's name.

Please refer to the following table for the details of senior management.

Name of Senior Management	Current Position
[LIMITED]	[LIMITED]

[Information contained in the above answer and exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's management information, disclosure of which could harm the Company's market and competitive position.]

10. Provide a list of your business' Board of Directors.

Answer:

During the POR and until now, the members of Board of Directors have been [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's management information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

There was no annual report published by KAE. Please refer to Exhibit A-3.11 for the product brochures issued by KAE.

12. Are any of your company's operations in a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area?

Answer:

The Company does not operate in the area mentioned above.

13. If your answer to question A-3 12 above is 'Yes':

- advise if any benefits (e.g. grants, reduced liabilities on commercial interest rates, etc) from the Government of China (GOC) (including central, provincial, municipal, county or any other level of government) accrue to your company because of being located in such an area;
- please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).

Answer:

Not applicable.

14. Provide details of all transactions between your company and all related parties. For example:

- Supplying/selling completed or partially completed products.
- Supplying/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.
- Trading in products/materials supplied by related parties.

Answer:

As mentioned above, during the first half of the POR, KAE sold to KMY for most of its exportation on foreign markets other than Hong Kong and Macau, and KAE sold to KHK for all its sales on Hong Kong and Macau markets.

During the second half of the POR, KAE sold to KHK for most of its exportation on foreign markets.

In addition, [LIMITED] is a [LIMITED] who supplies [LIMITED] to KAE for the production of aluminium extrusion.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

A-4 General accounting/administration information

1. Indicate your accounting period.

Answer:

The accounting period was from January 1 to December 31.

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

Answer:

The address for keeping the financial records is Shiqiao Industrial Zone, Dajiang County, Taishan City, Guangdong Province, PRC.

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);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

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

Answer:

Please refer to Exhibit A-4.3.1 [LIMITED] for the Chart of Accounts for both year 2016 and 2017.

Please refer to Exhibit A-4.3.2 [LIMITED] for the audit report of KAE for year 2016.

Please refer to Exhibit A-4.3.3 [LIMITED] for the audit report of KAE for year 2017.

Please refer to Exhibit A-4.3.4 [LIMITED] for KAE's half yearly financial statements of 2018.

There were no internal financial statements or reports maintained for goods under investigation.

[Information contained in the above Exhibits cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

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 accounts have been audited, so this question is not applicable.

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

Answer:

The KAE's accounts are consistent 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);

Answer:

Purchase Cost of raw materials is valued according to [LIMITED]. The issuance and inventory of raw materials and finished goods are valued by [LIMITED]. The value of work-in-process is allocated from the [LIMITED] incurred for [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

- 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);

Answer:

KAE applies [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

The damaged or sub-standard goods were [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

There are no by-product and joint product yielded from the production process of the product under investigation.

The scrap materials are [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

- valuation and revaluation methods for fixed assets;

Answer:

Fixed assets are valued according to [LIMITED]. Depreciation is calculated by [LIMITED]. There was no revaluation for the fixed assets.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

The depreciation method is [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

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

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

Answer:

The year-end asset and liability balance which express as foreign currency are converted into RMB YUAN according to the year-end exchange rate.

- inclusion of general expenses and/or interest;

Answer:

The general expenses are recorded in the general ledger of Operation Expenses. The interest is normally recognized as [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

- provisions for bad or doubtful debts;

Answer:

The bad debt is recognized when it was actually incurred, and no provisions are drawn.

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

Answer:

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

- costs of plant closure;

Answer:

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

- restructuring costs;

Answer:

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

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

Answer:

There are no by-products yielded from the production process of the product under investigation.

The scrap materials are [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

- effects of inflation on financial statement information.

Answer:

There was no inflation incurred, so 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 used by the company.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (specify)		Review period: 1 July 2017 to 30 June 2018	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12+13)				
INCOME FROM NORMAL				

ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

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

Prepare this information on a spreadsheet named "**A-5 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 **Attachment A-5 [LIMITED]** for the Income Statement of KAE.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting information, disclosure of which could harm the Company's market and competitive position.]

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)		Review period 1 July 2017 to 30 June 2018	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				

PUBLIC RECORD

Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd.

24

Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "**A-6 Turnover**".

This information will be used to verify the cost allocations to the goods under consideration 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 Attachment A-6 [LIMITED] for the Turnover.

[This confidential information is provided to the ADC 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 the Commission may also compare prices at the ex-factory level.

*You should report prices of **all** goods under consideration (the goods) **shipped** to Australia during the review 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 review period.*

B-1 For each customer in Australia to whom you shipped goods in the review 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:

During the first half of the POR, KAE made exportations of GUC to Australia through KMY, a related company. As KMY was identified as an importer of the GUC to Australia, it is a related customer of KAE for exports to Australia.

During the second half of the POR, KAE made exportations of GUC to Australia through KHK, another related company.

During the first half of the POR, the export function was performed by KAE and KMY together, that is KAE exported to Australia and other countries through KMY. As mentioned above, KMY has been identified by the Investigation Authority as the importer of the GUC into Australia. In addition, KAE exported to Hong Kong and Macau through KHK.

During the second half of the POR, the export function was performed by KAE and KHK together, that is KAE exported to Australia and other countries through KHK.

For the Investigation Authority's reference, we have also provided the unrelated customer information for exportations of GUC to Australia as Exhibit B-1 [LIMITED].

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

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

Answer:

Please refer to Exhibit B-2.a [LIMITED] for the Export Sales Channel.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

According to the Exhibit B-2.a [LIMITED], there were [LIMITED] related parties involved in the export sales of the Australia.

[LIMITED]

[Information contained in the above answer and Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

In case of DDP sales, KMY or KHK [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

Please refer to Exhibit B-2.d-1/2 [LIMITED] for the agency agreement between KMY and KAU and that between KAU and KHK.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

[LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

During the first half of the POR, KAE made exportations of GUC to Australia through KMY, a related company. During the second half of the POR, KAE made exportations of GUC to Australia through KHK, another related company.

There's no financial or other arrangement between KAE and KMY, or KAE and KHK.

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

Answer:

Not Applicable.

- 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:

The export selling prices did not vary according to the distribution channel, so this question is not applicable.

- B-4** Prepare a spreadsheet named “**B-4 Australian sales**” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the review 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
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Quarter	The quarter that the date of sale occurred
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. kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
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.

** 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 review period. Freight allocations must be checked for consistency.

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

Answer:

Please refer to Attachment B-4 [LIMITED] for the Australian sales. Please kindly note that, KAE has provided the information in two worksheets,

(1) Attachment B-4-1 [LIMITED], the first step for export sales of GUC to Australia, i.e. from KAE to KMY or KAE to KHK;

(2) Attachment B-4-2 [LIMITED], the second step for export sales of GUC to Australia, i.e. from KMY/KHK to unrelated Australian customers.

[Information contained in the above attachments cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 Attachment B-4 [LIMITED] for detailed information.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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:

Please refer to **Attachment B-4** [LIMITED] for detailed information.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

- 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:

Please refer to **Attachment B-4** [LIMITED] for detailed information.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

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

The Commission will select additional shipments for payment verification at the time of the visit.

Answer

Please refer to Exhibit B-9.1/2 [LIMITED] for the complete set of all documents of two shipments.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

SECTION C

EXPORTED GOODS & LIKE GOODS

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

Answer

During the POR, the products of the PUC that KAE has exported to Australia are as follows,

[LIMITED].

From the table above, it can be seen that the products exported to Australia by KAE during the POR are under [LIMITED] product codes. These [LIMITED] product codes are under [LIMITED] big categories, [LIMITED]. No product exported to Australia was [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

- C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “**B-4 Australian sales**” – see section B of this questionnaire).

Answer

Please refer to the table in Answer to Question C-1 for the type of goods exported to Australia.

- C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the review period, list the most comparable model(s) sold domestically;
- and prepare a spreadsheet named “**C-3 Like goods**”, providing a detailed explanation of the differences where those goods sold domestically (i.e. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
---------------	---------------	------------	-------------

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

Answer

The product sold domestically and exported to Australia can be compared based on product code, i.e. the exported and domestically sold goods with the same product code can be compared with each other. However, the goods sold domestically by KAE contained high-end models, which are for the purpose of producing mobile phone case, medical equipment, sunroof rail, etc.

As in the STATEMENT OF ESSENTIAL FACTS of Review 392, The Commission accepts that "the High-end Models Kam Kiu sells domestically may differ from the "Normal Models" manufactured by Kam Kiu, including by way of alloy composition, appearance as described by size or shape, additional production and quality control processes applied during their manufacture, or specificity of commercial application."¹

In addition, the Commission finds that "the profits derived from the domestic sales of High-end Models should be excluded from the calculation of profit for the purpose of constructing a normal value. This will ensure a fair comparison is made between the export price of the goods under consideration and the normal value of those goods."²

During the POR, KAE had met the same problem, i.e. they had sold high-end models in domestic market but not to Australia. Therefore, in Attachment B-4 [LIMITED], KAE adds a column "phone case/medical/sunroof rail/others" for the Commission to better identify the high-end models from those low-end models which are like goods with the product exported to Australia.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

¹ Page 31, STATEMENT OF ESSENTIAL FACTS NO. 392 REVIEW OF ANTI-DUMPING MEASURES APPLYING TO ALUMINIUM EXTRUSIONS EXPORTED TO AUSTRALIA FROM THE PEOPLE'S REPUBLIC OF CHINA

² Id.

- 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

The purpose/end-use of subject goods/like goods is a very important factor to classify the goods. As mentioned above, the product for home improvement, such as door and window frames are usually low-ended goods with low profit; while the products for electronics (e.g. phone cases) or medical are the high-ended with much higher profit.

The products exported to Australia during the POR by KAE are mainly [LIMITED], i.e. [LIMITED]. No product for [LIMITED] was sold to Australia by KAE.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 review 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 the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.*

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

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

D-1 Provide:

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

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 GUC are made by KAE and [LIMITED]. The flow chart for movement of the GUC is [LIMITED].

KAE is both producer and seller on domestic market, and it is responsible for the delivery of goods to customers for most domestic sales.

None of the customers are related to KAE.

There were no agency or distributor agreements.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 domestic selling prices did not vary according to the distribution channel.

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 shall [LIMITED]. KAE does not keep price list.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

D-4 Prepare a spreadsheet named "**D-4 Domestic sales**" listing **all** sales of like goods made during the review 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

PUBLIC RECORD

Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd.

38

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 <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Quarter	The quarter that the date of sale occurred
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 <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

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

Answer:

Please refer to Attachment D-4 [LIMITED] for the Domestic sales.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

- 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:

KAE inserted a column named “Credit Cost” in Attachment D-4 [LIMITED], please refer to it for detailed information.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company’s commercial activities and sensitive business information, disclosure of which could harm the Company’s market and competitive position.]

- 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

KAE has reported the information of credit notes in a column named “other discounts” in Attachment D-4 [LIMITED], please refer to it for detailed information.

The credit notes issued were mostly for the claim on quality disputes for batches of goods. These credit notes were not [LIMITED]. Therefore, the company [LIMITED].

In addition, to facilitate the sales reconciliation, KAE also provides a table for returned goods as Attachment D-4-1 [LIMITED].

[Information contained in the above answer and attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company’s commercial activities and sensitive business information, disclosure of which could harm the Company’s market and competitive position.]

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

The Commission will select additional sales for verification at the time of our visit.

Answer:

Please refer to Exhibit D-7.1/2 [LIMITED] for the complete set of all documents of two domestic sales.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 (i.e. the normal value).

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

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

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

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

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

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

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

E-1 Costs associated with export sales

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

1. Transportation

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

Answer

The inland transportation costs associated with the exports sales were reported according to the actual expenses incurred by KAE. The general ledger account for it is "Selling Expenses".

2. Handling, loading and ancillary expenses

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

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

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

Answer

The inland transportation costs reported in Attachment B-4 [LIMITED] has included the handling, loading and ancillary expenses.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the review 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

No credit cost has been reported in Attachment B-4 [LIMITED].

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

There were no such differences between domestic sales and exports sales to Australia.

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

According to agency agreement between KMY/KHK and KAU, there was a [LIMITED]. However, the commission was [LIMITED]. Reporting the commission in Attachment B-4 [LIMITED] will lead to a [LIMITED]. Please refer to Exhibit E-1.5 [LIMITED] for the [LIMITED] of KMY and KHK during the POR.

Therefore, no commission is reported in Attachment B-4 [LIMITED].

[Information contained in the above answer and attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

6. Warranties, guarantees, and after sales services

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

Answer

There were no such expenses incurred for exports sales to Australia.

7. Other factors

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

Answer

There were no such other factors.

8. Currency conversions

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

Answer

There was no such difference.

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:

Please kindly note that, as mentioned in answer to Question C-3, the product sold domestically and exported to Australia can be compared based on product code, i.e. the exported and domestically sold goods with the same product code can be compared with each other. However, the goods sold domestically by KAE contained high-end models, which are for the purpose of producing phone case, medical equipment, sunroof rail, etc.

During the POR, KAE had met the same problem, i.e. they had sold high-end models in domestic market but not to Australia. Therefore, in Attachment B-4 [LIMITED], KAE adds a column " phone case/medical/sunroof rail/others" for the Commission to better identify the high-end models from those low-end models which are like goods with the product exported to Australia.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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:

There is no such difference, so this question is not applicable.

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:

There is no such difference, so this question is not applicable.

4. Credit

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

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

- the rate, or average of rates, applying on actual short term borrowings 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 review 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 system³, the average credit period may be determined as follows:

1. Calculate an accounts receivable turnover ratio

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

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

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

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

2. Calculate the average credit period

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

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:

The interest rate used in calculating the credit cost was [LIMITED], which is a benchmark lending interest rate for [LIMITED].

The credit period for each customer is estimated based on [LIMITED].

³ 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.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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:

The transportation expenses were reported in the domestic sales list based on the inland transportation rate issued by KAE to its forwarders.

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:

This expense has been included in the Inland transportation Costs, so this 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:

There is no such difference, so this question is not applicable.

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 commission incurred on domestic market, so 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 difference, so 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:

There is no such difference, so this question is not applicable.

E-3 Duplication

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

For example:

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

Separate adjustment items must avoid duplication.

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

Answer:

There is no duplication of adjustment.

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

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

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

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

Column heading	Explanation
Country	Name of the country that you exported like goods to over the review period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the review 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 review 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 review 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 named **“F-1 Third country”**

Answer:

Please refer to **Attachment F-1 [LIMITED]** for Third Country sales information.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

Generally, [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

Section G

Costing information and constructed value

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

- testing the profitability of sales of like goods on the domestic market;*
- determining a constructed normal value of the goods under consideration (the goods) - i.e. 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 (e.g. 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 review 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 [LIMITED] for Production Process.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's production activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Review 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 "**G-2 Production**".

Answer:

Please refer to **Attachment G-2 [LIMITED]** for Production.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's production activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 KAE. All KAE's systems are part of its financial accounting system.

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

[LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 (i.e. differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

Answer:

KAE 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 review period.

Answer:

KAE 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:

Please refer to Exhibit G-3.4 [LIMITED] for the description of each cost centres.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

The costs and expenses are calculated by [LIMITED].

There is no allowance for capital expenditures or other development cost.

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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

Answer:

KAE's cost accounting system records [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

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 under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

Answer:

KAE 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:

KAE 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.⁴

1. Prepare this information in a spreadsheet named "**G-4 Domestic CTMS**".

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

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

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

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

⁴ The Commission applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.

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

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

Please specify unit of currency.

Answer:

Please refer to Attachment G-4.1 [LIMITED] for the Domestic CTMS.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's production cost information, disclosure of which could harm the Company's market and competitive position.]

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.

Answer:

With regard to supporting worksheet, please refer to Exhibit G-4.2.1 [LIMITED] for the Summarization of Cost of Manufacturing, and Exhibit G-4.2.2 [LIMITED] for the Allocation of SG&A of KAE.

Please kindly note that for domestic sales and export sales to Australia, [LIMITED].

[Information contained in the above answer and Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's production cost information, disclosure of which could harm the Company's market and competitive position.]

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

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

1. Prepare this information in a spreadsheet named "**G-5 Australian CTMS**".

	Quarter X	Quarter X	Quarter X	Quarter X	Review Period
--	-----------	-----------	-----------	-----------	---------------

PUBLIC RECORD

Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd.

61

Model/Type exported to Australia – from spreadsheet LIKEGOOD					
Material Costs ¹					
Direct Labour					
Manufacturing Overheads					
Other Costs ²					
Total Cost to Make					
Production Volume					
Unit Cost to Make					
Selling Costs					
Administration Costs					
Financial Costs					
Delivery Expenses ³					
Other Costs ³					
Total SG&A					
Sales Volume					
Unit SG&A					
Unit Cost to Make and Sell					

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) and over the period of the review.

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

Please specify unit of currency.

Answer:

Please refer to Attachment G-5.1 [LIMITED] for the Australia CTMS.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's production cost information, disclosure of which could harm the Company's market and competitive position.]

2. 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:

As mentioned in G-4.2, for domestic sales and export sales to Australia, [LIMITED].

For sales to Australia, [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's production cost information, disclosure of which could harm the Company's market and competitive position.]

3. 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.

4. 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 KAE's cost accounting system, it has [LIMITED].

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's production cost information, disclosure of which could harm the Company's market and competitive position.]

G-6 Major raw material costs

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

For these major inputs:

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

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

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

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

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

Answer:

The only major raw materials that account for 10% or more of the total production cost are aluminium ingots and aluminium billets.

The suppliers of aluminium are as follows, and none of them are related to KAE.

[LIMITED]

The basis of valuing the major raw materials in the costs of production is the market price.

PUBLIC RECORD

Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd.

64

[Information contained in the above answer cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's accounting activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

SECTION H – COUNTERVAILING

Following the original investigation the Commission found that producers in China of aluminium extrusions and upstream suppliers have benefited from a number of subsidies granted by the GOC (meaning any level of government – refer to the Glossary of Terms for further information), and that these subsidies are countervailable.

INVESTIGATED PROGRAMS

In the most recent Review of Measures into aluminium extrusions (Review 392) conducted by the Anti-Dumping Commission, the following programs were found to be countervailable in respect of aluminium extrusions exported from China to Australia:

Program Number	Program Name	Program Type
2	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'	Grant
3	Provincial Scientific Development Plan Fund	Grant
4	Export Brand Development Fund	Grant
5	Matching Funds for International Market Development for Small and Medium Enterprises (SME)	Grant
6	Superstar Enterprise Grant	Grant
7	Research & Development (R&D) Assistance Grant	Grant
8	Patent Award of Guangdong Province	Grant
9	Training Program for Rural Surplus Labour Force Transfer Employment	Grant
15	Aluminium provided at less than adequate remuneration	Less than adequate remuneration
18	Preferential tax policies in the Western Regions	Tax
21	Tariff and Value Added Tax (VAT) Exemptions on Imported Materials and Equipment	Tariff and VAT Exemptions
26	Innovative Experimental Enterprise Grant	Grant
29	Special Support Fund for Non-State-Owned Enterprises	Grant
32	Venture Investment Fund of Hi-Tech Industry	Grant
35	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant

PUBLIC RECORD

Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd.

66

Program Number	Program Name	Program Type
47	Preferential tax policies for high and new technology enterprises	Tax
48	Provincial Government of Guangdong (PGOG) tax offset for R&D	Tax
56	PGOG special fund for energy saving technology reform	Grant
58	Development assistance grants from the Zhaoqing New and High Tech Industrial Development Zone (ZHTDZ)	Grant
59	Processing trade special fund	Grant
60	Trade insurance support fund	Grant
61	Enterprise employment fixed point monitoring work subsidy	Grant
62	Special funds for provincial enterprises to transfer and upgrade equipment	Grant
63	Reserve funds for enterprise development	Grant
64	High integrity enterprise award 2014	Grant
65	Jiangmen engineering technology research centre award	Grant
66	2016 Shanghai Automotive Commodities Exhibition special fee subsidy	Grant
67	Corporate remuneration survey subsidy	Grant
68	Energy saving project subsidy	Grant
69	Science and technology project subsidy	Grant
70	Provincial engineering and technology research centre 2016	Grant
71	Foreign trade development fund subsidy of Jiangmen City	Grant

Please answer the questions within parts H-1 to H-9 in relation to these programs.

H-1 Preferential income tax programs (programs 18, 47 and 48)

1. Did your business or any company/entity related to your business receive any benefit⁵ under the above detailed preferential income tax programs during the review period (1 July 2017 to 30 June 2018).

Answer:

KAE received benefits under the Program 47 and the Program 48 during the review period.

2. It is our understanding that the general tax rate for enterprises in China during the review period was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China during the review period.

Answer:

KAE confirms the above understanding is correct, the general tax rate for enterprises in China during the review period was 25%.

3. Provide a copy, bearing the official stamp of the appropriate level of the GOC, of all corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the last three completed financial years.

Note: If your company did not file an income tax return in the last three financial years, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.

Answer:

The corporate income tax return for the Year 2015 is attached as Exhibit H-1.3.1 [LIMITED]; for the Year 2016 is attached as Exhibit H-1.3.2 [LIMITED]; the Year 2017 is attached as Exhibit H-1.3.3 [LIMITED].

[Information contained in the above Exhibits cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

⁵ Refer to the Glossary of Terms for a definition of benefit in this context.

4. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above), or paid at a rate less than that during the review period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.

Answer:

The income tax rate applied to KAE was 15% during the review period, which was a reduced rate under the Program 47.

5. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions in Part H-1 above in relation to the income tax rate reduction.

Answer:

The tax rate of 15% is related to Program 47, thus this question is not applicable.

For **each program** that you have identified above as conferring benefit on your entity, answer the following.

A. Program 47: Preferential tax policies for high and new technology enterprises

General Comments:

KAE did receive benefits under the Program 47 during the review period. To be benefited from this program, a company should be recognized as a high and new technology enterprise.

However, neither the products and activities based on which KAE to be recognized as a high and new technology enterprise, nor the benefits gained from the program is relevant to the product types (which were all ordinary and normal aluminium extrusion products) KAE exported to Australia during the period of review. Therefore, we may advise the Commission to exclude the benefits KAE received under this program from the subsidy calculation for purpose of this investigation.

6. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.

Answer:

The benefit ratio in total during the review period is [LIMITED]. For details regarding the calculation, please refer to Exhibit H-1.A.6 [LIMITED].

Please kindly note that since the review period covers two half of yearly tax settlement period, the amounts used in the calculation are extracted from Corporate Quarterly Prepaid Tax Return Form, which might be different from the yearly final settlement tax return form.

[Information contained in the above paragraph and Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

7. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products).

Answer:

There were no specific goods that benefited from the program. However, the Company holds that benefits from this program are not stemmed from or relevant to the goods exported to the Australia as these goods are all ordinary and normal aluminium extrusion products.

8. Describe the application and approval procedures for obtaining a benefit under the program.

Answer:

Once the enterprise is recognized as a high and new technology enterprise, it can obtain a preferential income tax rate.

9. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

Answer:

KAE keeps the registration form of preference for corporate income tax for this program, which could be seen in Exhibit H-1.A.9 [LIMITED].

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

10. Outline the fees charged to, or expenses incurred by your business for the purposes of receiving the program.

Answer:

There's no fee charged or expense incurred for the purposes of receiving the program.

11. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

Answer:

The enterprises shall have core independent intellectual property rights and meet the following requirements:

- (a) Their products (services) are included in the scope as provided in the Hi-tech Fields with Key State Support;**
 - (b) The total expenses for research and development shall account for a certain proportion of the total sales income;**
 - (c) The income from high and new technology products shall account for certain proportion of the total sales income;**
 - (d) The personnel engaged in research and development shall account for a certain proportion of the total staff;**
 - (e) Other requirements set by relevant regulations.**
12. State whether your eligibility for the program was conditional on one or more of the following criteria:
- a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.

Answer:

The above criteria are not applicable.

13. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Answer:

The benefit was not provided in relation to any specific activity or project of KAE.

14. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Answer:

KAE keeps the registration form of preference for corporate income tax, which could be seen in Exhibit H-1.A.9 [LIMITED], as well as income tax return which could be found in Exhibit H-1.3.3 [LIMITED].

[Information contained in the above Exhibits cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

15. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements.

Answer:

Because the company paid the income tax based on a reduced rate directly, thus benefits under this program might not be found in the accounting system or financial statements.

16. To your knowledge, does the program still operate or has it been terminated?

Answer:

The program is still in force.

17. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the terminated program has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.

Answer:

The program is still in force, thus this question is not applicable.

18. For each of your last three completed taxation years, complete the table as described below.

Prepare this information in the attached spreadsheet named "**H-1 Income Tax**" included as part of the *Exporter Questionnaire accompanying spreadsheet* provided with this questionnaire.

Answer:

Please refer to **Attachment H-1** [LIMITED].

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

B: Program 48: Provincial government of Guangdong tax offset for R&D

General Comments:

KAE did receive benefits under the Program 48 during the review period for income tax offset for R&D expenditures. To be benefited from this program, a company should meet certain eligibility criteria. However, neither the products and activities based on which KAE to be entitled to the program, nor the benefits gained from the program is relevant to the product types KAE exported to Australia, which were all ordinary and normal aluminium extrusion products, during the period of review. Therefore, we may advise the Commission to exclude the benefits KAE received under this program from the subsidy calculation for purpose of this investigation.

6. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.

Answer:

KAE enjoys the tax offset once a tax year during the tax settlement. Since the tax settlement for 2018 will be done around May 2019, KAE cannot calculate the tax offset for the first and second quarter of 2018 (the last two quarters covered by the review period).

Because the review period covers a period of 12 month, KAE would use the amount of tax offset in 2017 to calculate the benefits KAE received during the review period.

The tax offset for 2017 was [LIMITED], which is reported in Annual Tax Return Forms for enterprise income tax as attached **Exhibit H-1.3.3** [LIMITED].

The benefit received by KAE during the review period is calculated as follows:

Benefit = [LIMITED]RMB Yuan.

Benefit Ratio = [LIMITED].

([LIMITED] is the income tax rate KAE enjoyed in the review period,
[LIMITED] is the total income of the review period)

[Information contained in the above paragraph and Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

7. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products).

Answer:

There were no specific goods that benefited from the program. However, the Company holds that benefits from this program are not stemmed from or relevant to the goods exported to the Australia as these goods are all ordinary and normal aluminium extrusion products.

8. Describe the application and approval procedures for obtaining a benefit under the program.

Answer:

The application and approval procedures are as follows,

- (a) The company submits an application form along with relevant materials,**
 - (b) The competent authority examines the materials submitted by the company,**
 - (c) The related authority grants the tax offset to the company.**
9. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

Answer:

KAE keeps the registration form of preference for corporate income tax for this program, which could be seen in Exhibit H-1.B.9 [LIMITED].

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

10. Outline the fees charged to, or expenses incurred by your business for the purposes of receiving the program.

Answer:

There's no fee charged or expense incurred for the purposes of receiving the program.

11. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

Answer:

This program requires that there are R&D expenditures incurred in the company for the purpose to develop new technologies, new products or new crafts.

12. State whether your eligibility for the program was conditional on one or more of the following criteria:
- a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.

Answer:

The eligibility for the program is not conditioned on either of the above criteria.

13. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Answer:

The benefit was provided in relation to the R&D activities of KAE.

14. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Answer:

KAE keeps the registration form of preference for corporate income, which could be seen in Exhibit H-1.B.9 [LIMITED], as well as income tax return which could be found in Exhibit H-1.3.3 [LIMITED].

[Information contained in the above Exhibits cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

15. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements.

Answer:

Because the tax offset occurs once the income tax is paid, benefits under this program cannot be found in the accounting system or financial statements.

16. To your knowledge, does the program still operate or has it been terminated?

Answer:

The program is still in force.

17. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the terminated program has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.

Answer:

The program is still in force, thus this question is not applicable.

18. For each of your last three completed taxation years, complete the table as described below.

Prepare this information in the attached spreadsheet named "**H-1 Income Tax**" included as part of the *Exporter Questionnaire accompanying spreadsheet* provided with this questionnaire.

Answer:

Please refer to Attachment H-1 [LIMITED].

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

H-2 Grants and preferential policies (Programs 2, 3, 4, 5, 6, 7, 8, 9, 26, 29, 32, 35, 56 and 58)

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 July 2015 to 30 June 2018**?

Answer:

KAE did receive benefits under some of grant listed in the Programs Table during the period 1 July 2015 to 30 June 2018.

KAE noticed that in SEF 392 Report, the Commission found that Program 61 to 71 shall be actionable based its finding on all the facts available. However, there is no indication of the *specificity* of a subsidy for those programs.

Taking Program 64: High integrity enterprise award 2014 as an example, this grant aims at neither specific enterprises, specific industry, nor designated geographical regions. High integrity is the only criterion that the program conditions on. Once an enterprise meets the criterion, it can receive benefits under this grant. No specificity can be found in this program, thus it shall not be actionable.

The same as the Program 68: Energy - saving project subsidies. Program 68 aims at accelerating the elimination of outdated equipment and energy-saving technological transformation, focusing on neither specific enterprises, specific industry, nor designated geographical regions. No specificity can be found in this program, thus it shall not be actionable.

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 July 2015 to 30 June 2018**?

Answer:

KAE considers that pursuant to Article 11.1 and 11.2, among others, of the ASCM, for a subsidy program to be legally investigated, the complainant shall include sufficient evidence regarding the existence, amount and nature of a subsidy in the written application. This is, however, not the case concerning this review.

Nevertheless, in order to let the investigation authority have a clear understanding of other grants from which KAE were benefited during the period 1 July 2015 to 30 June 2018, and why they are different from the programs alleged in this review, a list of benefits received under these grants in the said period is attached as Exhibit H-2 [LIMITED].

This, however, should not in any event be considered that KAE agrees these other grants listed are actionable, or the authority could legally impose countervailing duty on KAE in terms of other grants voluntarily reported.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

For each program identified in your answer to H-2.1 and H-2.2 above, answer the following.

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.

Answer:

Please kindly refer to Exhibit H-2 [LIMITED] for the details involving the amount received. All these grants were received in a lump sum.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).

Answer:

There was no specific good that benefited from the program. The program benefited all production of the company.

5. Describe the application and approval procedures for obtaining a benefit under the program.

Answer:

KAE received these grants through a simple written application and approval procedure, and there was even no application for some grants where the amount is so small.

6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

Answer:

The applications, if any, were submitted to the relevant government authorities and KAE usually did not maintain the copies of these applications.

7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

Answer:

No fees were charged and no expenses were incurred.

8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

Answer:

Most of the grants were related to the research and development, environmental protection and energy saving.

9. State whether your eligibility for the program was conditional on one or more of the following criteria:
- a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.

Answer:

The eligibility for the grants was not conditioned on either of the above criteria.

10. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Answer:

Most of the grants were related to the research and development, environmental protection and energy saving.

11. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Answer:

Please kindly note that KAE usually did not maintain the copies of records for programs mentioned in Exhibit H-2 [LIMITED]. But KAE did account the amount of benefits in financial statements if this can be regarded as records.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

12. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements.

Answer:

All these benefits were accounted as non-operating income in KAE's financial statements.

13. To your knowledge, does the program still operate or has it been terminated?

Answer:

As far as KAE knows, all these grants are mostly one-time program.

14. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-1 in relation to this programme.

Answer:

KAE has no knowledge of the details of each grant. The last date to receive the benefit is the "Date of receiving" in Exhibit H-2 [LIMITED].

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

15. Identify the body responsible for administering the grant.

Answer:

Please kindly refer to Exhibit H-2 [LIMITED].

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

16. Identify the date of approval of the grant and the date the grant was received.

Indicate where the grant was accounted for on your business' financial statements.

Answer:

As for the date of approval of the grant and the date the grant was received, please kindly refer to Exhibit H-2 [LIMITED].

All grants were accounted as non-operating income on KAE's financial statements.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

H-3 Tariff and VAT Exemptions on Imported Materials and Equipment (Program 21)

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and equipment.

If your business or any company/entity related to your business received benefits under any such program during the period **1 July 2017 to 30 June 2018**, please answer the following questions.

1. Provide complete details involving the exemption of tariff and import VAT received, for any imported technologies and equipment.

Answer:

The program applies to certain foreign investment projects and may result in the exemption of the qualifying enterprises from paying import tariff and VAT on the purchase of imported equipment for self-use as long as the equipment does not fall in the categories listed in the Catalogue on Non-duty-exemptible Article of Importation for Foreign Investment Project, the Catalogue on Non-duty-exemptible Article of Importation for Domestic Investment Project and Catalogue on Non-duty-exemptible Article of Importation for major technical equipment and products (revised in 2015).

With effect from 1 January 2009, VAT on importation of self-use equipment is no longer exempted. There was a "buffer period" for this program. Only from 30th April 2009, VAT exemption under this program has been totally terminated. Therefore, there has been no VAT exemption under Program 21 any more since 30th April 2009.

Regarding the exemption of import duty and VAT for imported materials, since the exemption of import duty and import VAT on the bonded import materials (e.g. aluminium ingot) for inward-process and re-export is based on the international practice of bonded imports and thus has nothing to do with subsidy. KAE enjoyed no import VAT and import tariff exemption/reduction for imported materials during the period of review.

2. Provide complete details involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments. Prepare this information in the attached spreadsheet named **"H-3 VAT and Tariff"** included as part of the *Exporter Questionnaire accompanying spreadsheet* provided alongside this questionnaire.

Answer:

According to the review report of *SEF 248 Certain Aluminium Extrusions – China*, the Commission's consideration of Program 21 was addressed as follow:

“However, for those imports that pre-dated 30 April 2009 that received an exemption under Program 21, the asset registers indicated a depreciation period up to 10 years. Since the benefit received through Program 21 has been found to be amortised over a 10-year period, the benefit conferred is not expected to expire until at least 30 April 2019.”

The review period for this time is from July 1, 2017 to June 30, 2018, and the average depreciation period for KAE’s imported equipment is about [LIMITED] years. Therefore, we listed all the equipment KAE imported since [LIMITED] in accordance with the Commission’s instruction as where the depreciation period is up to 10 years, the benefit received would be over a 10-year period.

However, although we listed all the equipment, it would not be appropriate to cover all benefits KAE received during the review period. [LIMITED].

We would like to suggest the Commission to exclude the benefit of the aforesaid mentioned equipment from the final amount of benefit. If so, the final total amount of benefits KAE received under Program 21 during the review period would be [LIMITED] RMB.

Please refer to Attachment H-3 [LIMITED] for the complete details involving the amount of benefits received under Program 21.

[Information contained in the above answer and attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company’s commercial activities and sensitive business information, disclosure of which could harm the Company’s market and competitive position.]

3. Describe the application and approval procedures for obtaining a benefit under these programs.

Answer:

First, KAE need to report to the Bureau of Foreign Economic & Trade of Jiangmen City about their investment project.

Second, the Bureau of Foreign Economic & Trade of Jiangmen City need to confirm whether the investment project is in line with the requirements/criteria or not. For the projects that qualify, the Bureau will issue the Confirmation Letter on Domestic or Foreign Funded Projects Encouraged to be Developed by the State (Hereinafter refer as the “Confirmation Letter”).

Third, once KAE receives the Confirmation Letter, it should then put it on the record of the local Customs.

Forth, the local Customs authority will verify the import declaration/s concerning the imported equipment to ascertain whether it falls under the *Catalogue on Non-duty-exemptible Article of Importation for Foreign Investment Project, the Catalogue on Non-duty-exemptible Article of Importation for Domestic Investment Project and Catalogue on Non-duty-exemptible Article of Importation for major technical equipment and products (revised in 2015)* or not. For the qualified imported equipment, Customs authorities exempt the duty; for the imported equipment that does not qualify the criteria, the Customs authority levies the duty according to the applicable customs regulation.

What should be noted is that with effect from 1 January 2009, only import tariff is exempted while VAT on imported self-use equipment is no longer exempted. In addition, China is gradually narrowing the scope of duty-exemptible imported equipment, which means enterprises are enjoying less benefits from Program 21.

4. Where applicable, provide copies of the application form or other documentation used to apply for these programs, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

Answer:

Please refer to Exhibit H-3.4 [LIMITED] for the Confirmation Letter, which shall be used to verify the application for the tariff and VAT exemption of the imported equipment. There was no contractual agreement between KAE and the GOC on this program.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving these programs.

Answer:

No fees charged to receive benefits from this program.

6. Outline the eligibility criteria your business had to meet in order to receive benefits under these programs.

Answer:

The eligibility to this programme is based on certain investment project and the type of equipment imported, but not the enterprise. The following criteria have to be met:

- (a) The investment project should be line with the policy of encouraging foreign investment projects and domestic investment projects, or foreign government loans and international financial organization loan projects.
- (b) The equipment imported does not fall/ is not classifiable in the categories listed in the Catalogue on Non-duty-exemptible Article of Importation for Foreign Investment Project, the Catalogue on Non-duty-exemptible Articles of Importation for Domestic Investment Projects and Catalogue on Non-duty-exemptible Article of Importation for major technical equipment and products (revised in 2015).
- (c) The imported equipment is for self-use.
- (d) Other requirements set by relevant regulations.

With effect from 1 January 2009, only tariff is exempted. VAT on importation of self-use equipment is no longer exempted.

7. State whether your eligibility for these programs was conditional on one or more of the following criteria:
- a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.

Answer:

The above criteria are not applicable.

8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Answer:

The benefit was not provided in relation to any specific activity or project of KAE.

9. What records does your business keep regarding each of the benefits received under these programs? Provide copies of any records kept in relation to the program.

Answer:

KAE keeps Tax Exemption Confirmation Letter, Customs Declaration Form and Invoice. A sample of the documents has been provided as Exhibit H-3.9 [LIMITED].

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

10. Indicate where benefits under these programs can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements.

Answer:

The costs of such purchases are booked in the accounting system while there's no specific record for the exemption.

11. To your knowledge, do these programs still operate or have they been terminated?

Answer:

The program is still in force. However, with effect from 1 January 2009, only import tariff is exempted while VAT on imported self-use equipment is no longer exempted.

12. If these programs have been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

Answer:

The program is still in force. However, with effect from 1 January 2009, only tariff is exempted and VAT on importation of self-use equipment is no longer exempted. There was a "buffer period" for this program. From 30th April 2009, VAT exemption under this program has been totally terminated. Therefore, there has been no VAT exemption under Program 21 any more since 30th April 2009.

13. If any of these programs have been terminated and is being substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.

Answer:

The program is still in force. However, with effect from 1 January 2009, only tariff is exempted and VAT on importation of self-use equipment is no longer exempted. No other programs substituted this one.

14. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the review period? If yes, provide the following information:

- (a) type of inputs;
- (b) cost of inputs;
- (c) quantity of inputs; and
- (d) amount of VAT refunded.

Has your company received exemption from payment, or refunds of import duty and import VAT, for imported material inputs including technologies and equipment at any time that were used in the production of the goods during the review period? If yes, provide the following information:

- (a) description of imported product;
- (b) country of origin;
- (c) quantity of imported product;
- (d) purchase price;
- (e) terms of purchase (f.o.b., c.i.f., etc);
- (f) ocean freight;
- (g) value for duty of imported product;
- (h) regular rate of taxes and duties;
- (i) concessionary rate of taxes and duties;
- (j) amount of duties and taxes normally applicable;
- (k) amount of duties and taxes paid;
- (l) amount of duties and taxes exempt;
- (m) date of importation;
- (n) tariff classification number;
- (o) customs entry number; and
- (p) application fee.

Answer:

As for the bonded import materials (e.g. aluminium ingot) for inward-process and re-export, the exemption of import duty and import VAT is based on the international practice of bonded imports and thus has nothing to do with subsidy. KAE enjoyed no import VAT and import tariff exemption/reduction for imported materials during the period of review.

As for the exemption of import duty and import VAT in connection with certain imported equipment, please refer to Attachment H-3 [LIMITED] for detailed information.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

15. Explain if (and how) the GOC determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).

Answer:

There's no subsidy in form of exemption of import duty and VAT on imported materials as is explained above.

As for the exemption of import duty and import VAT in connection with certain imported equipment, please refer to Attachment H-3 [LIMITED] for detailed information.

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

16. Explain how the GOC determined the percentage rate of duty exemption.

Please note that goods consumed in the production of exported goods (inputs) include:

- (a) goods incorporated into the exported goods; and
- (b) energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.

Answer:

Since there's no subsidy in form of duty exemption on the raw materials and/or energy, fuel, etc., questions above are not applicable.

17. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods.

Answer:

As explained above, there was no duty-exempt materials involved, thus this question is not applicable.

As for the duty-exempt sample of documents for imported equipment involved, please refer to Exhibit H-3.9 [LIMITED] for detailed information. Whereas for the duty-paid documents, please refer to Exhibit H-3.17 [LIMITED].

[Information contained in the above Exhibits cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

18. In addition to the import entry documents, you must also provide copies, if applicable, of any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.

Provide copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

Answer:

As explained above, there was no duty-exempt materials involved, thus this question is not applicable.

As for the Approval document for Imported Equipment, please refer to Exhibit H-3.4 [LIMITED] for detailed information.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

H-4 Aluminium provided by government at less than adequate remuneration (Program 15)

In Review 392, the Anti-Dumping Commission found that public bodies (in the form of state-owned enterprises (SOEs)) were supplying aluminium, directly or indirectly, to manufacturers of aluminium extrusions at less than adequate remuneration. Aluminium is defined as all forms of aluminium, whether in pure form or alloyed.

The term SOE is defined in the glossary of this questionnaire.

In relation to this program, provide the following information.

1. Did your business or any company/entity related to your business receive any benefit under the above program during the review period 1 July 2017 to 30 June 2018?

Answer:

No, KAE did not receive any benefit under this program during the review period.

2. Does your business purchase primary aluminium from SOEs?

Answer:

KAE doesn't purchase primary aluminium from state-owned enterprises.

3. Provide a list, including a contact name and address, of all your suppliers of aluminium. Indicate whether the supplier is a SOE and whether they supply pure aluminium, aluminium alloy, or both.

Answer:

The detailed information of suppliers of primary aluminium is provided as Exhibit H-4.3 [LIMITED].

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

4. Provide a listing showing the purchase price of aluminium from each supplier during each month of the review period.

Prepare this information in the attached spreadsheet named **"H-4 Aluminium Purchases"** included as part of the *Exporter Questionnaire accompanying spreadsheet* provided alongside this questionnaire.

Please add more space for additional suppliers and aluminium categories as required.

Answer:

Please refer to **Attachment H-4** [LIMITED].

[Information contained in the above attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

5. Did your business receive any reduction/reduced price for the purchase of these goods/services during the review period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services.

Answer:

KAE did not receive any reduction/reduced prices for the purchase of goods/services during the review period.

6. Provide copies of all contractual agreements that detail the obligations of the SOE and your business with reference to the granting and receipt of the assistance/benefits.

Answer:

KAE has no contractual agreements with state-owned enterprises for any assistance/benefits related to the purchase of the goods/services.

7. Did your business import any raw material during the review period? If yes, please provide details of all such imports, including date, source, type, amount and price.

Explain the reason/s for your business' decision to purchase imported over domestic raw materials, including the key factors affecting the decision such as price, availability etc.

Answer:

During the review period, KAE import [LIMITED] for the production of the subject goods. The information required has been provided as Attachment H-4 [LIMITED].

KAE imports primary aluminium for the production, price is an important factor to be considered.

[Information contained in the above answer and attachment cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

H-5 Any other programs

If the GOC, any of its agencies or any other public body or authorised body has provided any other benefit⁶ under any other assistance programs to your entity not previously addressed, identify the program(s).

This may have included:

- the provision of grants, awards or prizes;
- the provision of goods or services at a reduced price (e.g. electricity, gas, raw materials (including, for example, transport, etc.));
- the reduction of tax payable including income tax and VAT;
- reduction in land use fees;
- loans from Policy Banks at below-market interest rates; or
- any other form of assistance.

Answer:

KAE considers that pursuant to Article 11.1 and 11.2, among others, of the ASCM, for a subsidy program to be legally investigated, the complainant shall include sufficient evidence regarding the existence, amount and nature of a subsidy in the written application. This is, however, not the case concerning this review.

Nevertheless, in order to let the investigation authority have a clear understanding of other programs from which KAE were benefited during the review period a list of benefits received under other programs in the said period is attached as Exhibit H-5 [LIMITED].

This, however, should not in any event be considered that KAE agrees these other programs listed are actionable, or the authority could legally impose countervailing duty on KAE in terms of other programs voluntarily reported.

[Information contained in the above Exhibit cannot be susceptible to a meaningful non-confidential summary. Since this information is related to the Company's commercial activities and sensitive business information, disclosure of which could harm the Company's market and competitive position.]

⁶ Refer to the Glossary of Terms for a definition of benefit in this context.

SECTION J CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A – General information	✓
Section B – Export price	✓
Section C – Like goods	✓
Section D – Domestic price	✓
Section E – Fair comparison	✓
Section F – Exports to third countries	✓
Section G – Costing information	✓
Section H – Countervailing	✓
Section I – Declaration	✓

Electronic Data	Please tick if you have provided spreadsheet
A-5 Income statement	✓
A-6 Turnover – sales summary	✓
B-4 Australian sales – list of sales to Australia	✓
C-3 Like goods	✓
D-4 Domestic sales – list of all domestic sales of like goods	✓
F-1 Third country – third country sales	✓
G-2 Production – production figures	✓
G-4 Domestic CTMS – costs of goods sold domestically	✓
G-5 Australian CTMS – costs of goods sold to Australia	✓
H-1 Income tax – income tax paid, exempted or refunded	✓
H-3 VAT & Tariff – exemptions	✓
H-4 Aluminium purchases – average aluminium raw material purchase prices	✓

APPENDIX

GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences*; *packaging*; *taxes*; *level of trade*; *advertising*; *servicing/warranty*; *inland freight*; *warehousing*; *export charges*; *credit terms*; *duty drawback*; *commissions*.

Adjustments may also be required where the normal value is based upon costs to make and sell.

Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Constructed value

In cases where domestic prices paid for the goods under consideration in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The Commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, ie. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs eg. power, supplies, indirect labour and fixed costs eg. factory rent, factory insurance, factory depreciation etc.

Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

Government of China (GOC)

Any level of Chinese government, including central, provincial, municipal, county or any other level of government.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to

	the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customers disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods under consideration or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the Commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the Commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Review period

A period defined by the Commission over which importations of the goods are examined.

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- . domestic sales of like goods;

- . sale of goods of the same general category by the exporter; or
- . sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.

State Owned Enterprises (SOE)

For the purposes of this questionnaire, SOE refers to any company or enterprise that is operating under the direct or indirect control or influence of the GOC (as defined above). This includes any company which is effectively controlled by the GOC through laws, orders, regulations, directives or other similar mechanisms; or is operating in a partnership or joint venture capacity with the GOC; or whose shares, whether or not they are publicly traded, are wholly or majority owned by the GOC.

Subsidy

In relation to goods that are exported to Australia, means:

(a) a financial contribution:

- (1) by a government of the country or export or country of origin of those goods; or
- (2) by a public body of that country or of which government is a member; or
- (3) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that is made in connection with the production, manufacture or export of those goods and that involves:

- (4) a direct transfer of funds from that government or body to the enterprise by whom the goods are produced, manufactured or exported; or
- (5) a direct transfer of funds from that government or body to that enterprise contingent upon particular circumstances occurring; or
- (6) the acceptance of liabilities, whether actual or potential, of that enterprise by that government body; or
- (7) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body by that enterprise; or
- (8) the provision by that government or body of goods or services to that enterprise otherwise than in the course of providing normal infrastructure; or
- (9) the purchase by that government or body of goods provided by that enterprise; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement Tariffs and Trade 1994, that is received from such a government or body;

if that financial contribution or income or price support confers a benefit in relation to those goods.

**KAP**

台山市金桥铝型材厂有限公司

Taishan City Kam Kiu Aluminium Extrusion Co., Ltd

SECTION I**EXPORTER'S DECLARATION**

I hereby declare that **TAISHAN CITY KAM KIU ALUMINIUM EXTRUSION CO., LTD. (KAE)** 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: LEI LI QUAN

Signature: 雷礼权

Position in 台山市金桥铝型材厂有限公司

Company: 有限公司 CEO

Date: August 20, 2018

地址: 中国 广东省 台山市 大江镇 石桥工业区 邮编 (PostCode) : 529261

Add: Dajiang County, Taishan City, Guangdong, China

Tel: +86 750 5438596 Fax: +86 750 5438173 Web: www.kamkiu.com