

**Response to the Exporter Questionnaire  
for the Continuation Inquiry No. 504 into  
the Anti-dumping Measures on Power  
Transformers Exported to Australia from  
the Republic of Indonesia, Taiwan and the  
Kingdom of Thailand**

**Submitted by:**

**Fortune Electric Co., Ltd.**

**Submitted on:**

**March 20, 2019**

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

**Response: Name of Company: Fortune Electric Co., Ltd. ("Fortune" or the "Company")**  
**Name: Mr. Rafe Ho**  
**Position: Export Manager**  
**Telephone: +886-2-2704-7001 Ext 238**  
**E-mail: rafe@fortune.com.tw**

2. If you have appointed a representative, provide the their contact details:

**Response: Name:**  
**Address:**  
**Telephone:**  
**E-mail address:**

*In nominating a representative, you are granting authority to the Commission to discuss matters relating to the case with the nominated representative, including your company's confidential information.*

3. Please provide the location of the where the company's financial records are held.

**Response: The financial records of the Company are kept in its office located at the address specified below:**

**10<sup>th</sup> Floor, No. 370, Section 1, Fuxing South Road, Taipei, Taiwan.**

4. Please provide the location of the where the company's production records are held.

**Response: The original production records of the Company are kept in its factories while the office in Taipei whose address is identified above has access to such records.**

**The Company has three factories, i.e., Zhong-Li Plant I, Guanyin Plant II and Guanyin Plant III, all of which are located in Taoyuan City of Taiwan. Guanyin Plant III produces switchgears (not power transformers) and is irrelevant to the goods subject to the anti-dumping measures. Guanyin Plant II produces the power transformers subject to the measures and the inquiry (the "Goods"). Zhong-Li Plant I produces both the Goods and other power transformers whose power or voltage ratings are not falling into the scope of Goods.**

### A-2 Company information

1. What is the legal name of your business?

**Response: The full name of the Company is "Fortune Electric Co., Ltd."**

2. Does your company trade under a different name and/or brand? If yes, provide details.

**Response: Not applicable because the Company does not trade under a different name or brand.**

3. Was your company ever known by a different legal and/or trading name? If yes, provide details

**Response: Not applicable because the Company does not use a different name or brand in conducting business.**

4. Provide a list of your current board of directors and any changes in the last two years.

**Response: Please refer to Exhibit A-2.4 for the board of directors of the Company before and after June 14, 2017. Fortune is legally required to elect directors of a new office term every three years. Therefore, the current directors of the Company were elected to act as the directors of the Company from June 14, 2017. As shown in this Exhibit, all directors of the Company are individuals.**

5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:
- (a) A diagram showing the complete ownership structure; and
  - (b) A list of all related companies and its functions

**Response: Please refer to Exhibit A-2.5 for the group companies of the Company along with their main business activities. None of the group companies are related to the sales of the Goods in the domestic market or Australia during the injury period (i.e., January 1, 2016 to December 31, 2018). Among the related parties,**

**[REDACTED]**  
**[REDACTED]**  
**[REDACTED]. During the injury period, neither of them sold any Goods to Australia.**

6. Is your company or parent company publically listed?

If yes, please provide:

- (a) The stock exchange where it is listed; and
- (b) Any principle shareholders<sup>1</sup>

If no, please provide:

- (a) A list of all principal shareholders and the shareholding percentages.

**Response: Fortune has been listed on the Taiwan Stock Exchange since 1997. Please refer to Exhibit A-2.6 for the list of Fortune's shareholders holding more than 5% shareholding in Fortune.**

7. What is the overall nature of your company's business? Include details of the products that your company manufacture and sell and the market your company sells into.

**Response: Fortune's main businesses include the production and sales of distribution transformers, power transformers and switchgears, as well as the hydroelectric, energy and transportation constructions. The products manufactured by Fortune are mainly sold to**

**[REDACTED]**  
**[REDACTED]**

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:

\_\_\_\_\_

<sup>1</sup> Principal shareholders are those who are 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.

- (a) produce or manufacture;
- (b) sell in the domestic market;
- (c) export to Australia; and
- (d) export to countries other than Australia.

**Response: Not applicable because Fortune performs all of the above-mentioned activities in relation to the Goods.**

9. Provide your company's internal organisation chart.

**Response: Please refer to Exhibit A-2.9 for Fortune's internal organization charts during the injury period. During the injury period, the Company's internal organization did not change significantly, except that (1) the Company added a position of "CEO" (chief executive officer) in 2018 to supervise the IT Center, Purchase Division, Administration Division, Technical Division, New Energy Engineering & Construction Division and the EVI Center and (2) the International Business Division was changed to be under the supervision of the vice president in 2018. These changes are merely for administrative and management purposes and have no impact on the production and sales of the Goods.**

10. Describe the functions performed by each group within the organisation.

**Response: The majority of the Goods are produced by the Guanyin Plant II, which is responsible for the manufacture, quality control and post-sales service of all kinds of power transformers, including their process inspection, production progress control, quality assurance, inspection and testing, as well as the supervision of the installation of the power transformers sold. The Zhong-Li Plant I is responsible for the manufacture and quality control of distribution transformers and cast resin transformers. The Guanyin Plant III is responsible for the manufacture and quality control of the goods not under consideration such as distribution panels and gas insulated switches, and is irrelevant to the production of the Goods.**

**The Technical Division of the Company performs the design, research and development of all Fortune's products. The Purchase Division handles the procurement of the raw materials and equipment for the production of Fortune's products. The finished goods are sold in the domestic market by the Domestic Business Division and to foreign markets by the International Business Division. Other key departments of Fortune include: (1) the IT Center which is responsible for the establishment and maintenance of the computer data and Internet system and information security management; (2) the Administration Division that includes (i) the Accounting Department for accounting and tax affairs, (ii) the Finance Department for the management of funds, payments, bonds, title deeds, cash and instruments, the (iii) Human Resource Department for the employment affairs, and (iv) the Risk Management & Legal Affairs Department for the legal affairs; (3) the New Energy Engineering & Construction Division which plans, manages and implements construction projects on hydroelectric, energy and transportation; and (4) the Safety and Health Department which is responsible for the environmental, safety and health affairs.**

11. Does your company produce brochures, pamphlets or other promotional material? If yes, please provide them.

**Response: Please refer to Exhibit A-2.11 for the brochure of Company. The Company does not prepare a catalogue for the Goods because the Goods are customized.**

### **A-3 General accounting information**

1. What is your financial accounting period?

**Response: From January 1 to December 31 of each year.**

2. Are your financial accounts audited? If yes, who is the auditor?

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**Response: Fortune's financial statements are audited by Deloitte & Touche, a member firm of Deloitte Touche Tohmatsu Limited in Taiwan.**

3. What currency are your accounts kept in?

**Response: Fortune's currency used in its financial records is NTD (or TWD), i.e., New Taiwanese dollars.**

4. What is the name of your financial accounting system?

**Response: Fortune uses a customized system, namely the Fortune Information System, which was designed specifically for use of the Company and which incorporates the financial and cost accounting, sales and production systems.**

5. What is the name of your sales system?

**Response: Please refer to the answer to Question A-3.4 above.**

6. What is the name of your production system?

**Response: Please refer to the answer to Question A-3.4 above.**

7. If your financial accounting, sales and production systems are different, how do the systems interact? Is it electronically or manual? Please provide a detailed explanation and include diagrams.

**Response: Not applicable because Fortune's system incorporates all the financial and cost accounting, sales and production records.**

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

**Response: Not applicable because Fortune's accounting practices follow the generally accepted accounting principles (GAAP) of Taiwan.**

9. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.

**Response: The Company did not change its accounting policies except that (1) the Taiwan GAAP was modified to comply with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC) and Interpretations of IAS (SIC) as of January 1, 2018, and (2) the Financial Supervisory Commission of Taiwan requires Fortune, being a listed company in Taiwan, to comply with the newly amended Regulations Governing the Preparation of Financial Reports by Securities Issuers from January 1, 2017. However, all such changes do not affect the cost and sales records of the Company.**

## A-4 Financial Documents

1. Please provide the four (4) most recently completed annual reports and/or financial statements for your company and any other related companies involved in the production and sale of the goods.

**Response: Please refer to Exhibits A-4.1-1 to A-4.1-2 for Fortune's audited stand-alone and consolidated financial statements for 2016 and 2017 covering the years of 2015 to 2017. Fortune's related companies did not manufacture or sell the Goods during the injury period. The English translations of the stand-alone financial statements for 2016 and 2017 will be submitted to the Commission on April 1, 2019. Moreover, the 2018 audited financial statement will not be available until late March. Fortune will submit the 2018 audited financial statements on April 1, 2019.**

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2. If the financial statements in A-4.1 are unaudited, provide for each company:
- (a) the tax returns relating to the same period; and
  - (b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

**Response: Not applicable because all of Fortune's financial statements are audited.**

3. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods falls into for:
- (a) the most recent financial year; and
  - (b) the three (3) years prior..

**Response: Not applicable because Fortune does not maintain different profit centres.**

4. If the period is different to your financial period, please provide:
- (a) Income statements directly from your accounting information system covering the most recent financial period and the period; or
  - (b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

**Response: Not applicable because Fortune's financial period corresponds to the injury period.**

5. Please provide a copy of your company's trial balance covering the 4 most recent financial years.

**Response: Please refer to Exhibits A-4.5-1 to A-4.5-4 for the trial balances of 2015 to 2018.**

6. Please provide your company's chart of accounts.

**Response: Please refer to Exhibit A-4.6 for Fortune's chart of accounts.**

*If any of the documents are not in English, please provide a complete translation of the documents.*

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**List of Section A Exhibits**

<b>Exhibit</b>	<b>Content</b>
Exhibit A-2.4	Board of Directors
Exhibit A-2.5	Structure Chart and Functions
Exhibit A-2.6	List of Principal Shareholders
Exhibit A-2.9	Internal Organisation Chart
Exhibit A-2.11	Fortune Electric Brochure
Exhibit A-4.1-1	Fortune's Audited Consolidated 2016 Financial Statements
Exhibit A-4.1-2	Fortune's Audited Consolidated 2017 Financial Statements
Exhibit A-4.5-1	Trial Balance of 2015
Exhibit A-4.5-2	Trial Balance of 2016
Exhibit A-4.5-3	Trial Balance of 2017
Exhibit A-4.5-4	Trial Balance of 2018
Exhibit A-4.6	Chart of Accounts of the Company