

VIA E-MAIL

November 19, 2019

Ms Jenny Levin
Mr Carl Halpin
CC.: Mr Gavin Crooks
Anti-Dumping Commission
55 Collins Street VIC 3000
Melbourne, Australia

Our Client: Zhuhai Grand Kitchenware Co., Ltd. (hereinafter “Zhuhai Grand”)

Case No.: 517

Re: Submission on the Visit Report and Calculation Relating to Zhuhai Grand

Dear Ms Levin,

Dear Mr Halpin,

This submission intends to discuss with the Anti-Dumping Commission (hereinafter “the Commission”) on the calculations relevant to Zhuhai Grand’s preliminary variable factors as revealed in the Commission’s email regarding the verification report for review dated November 12, 2019, in particular the mapping of model control modes (“MCCs”) and the calculations of normal value, profit and SG&A.

1. In general, we welcome that the Commission was satisfied that the data provided in Zhuhai Grand’s questionnaire response was accurate in the accuracy finding as revealed throughout the verification report for review. We agree with the verification report, except for the parts to be elaborated below.

The Mapping of MCCs

2. As indicated in subheading 2.3 “Mapping of MCC sub-categories”, the Commission mapped the MCC structure by using number of the bowls, number of drainer boards and total capacity of bowls of the sinks, as the main cost driver, i.e. the consumption of stainless steel required, could be linked to these attributes. We hereby submit that the current mapping of MCCs is inappropriate, as it does not reasonably reflect the main cost driver, **[BUSINESS PROPRIETARY INFORMATION – Zhuhai Grand;s Cost Driver]**.

[BUSINESS PROPRIETARY INFORMATION – Reasons for Using SKU-based COP and Zhuhai Grand’s COP data]

3. In light of the above, we respectfully ask that the Commission re-consider the

appropriateness of the current MCC mapping and use the SKU-based COP in the calculation of CTMS.

Establishment of Normal Value

4. We notice that the following errors in the establishment of normal value, in particular the establishment of domestic sales value at EXW level and profit margin. In addition, we discovered a clerical error in Zhuhai Grand's response to the exporter questionnaire relating to the SG&A listing, thereby resulting an incorrect domestic SG&A.
5. The establishment of domestic sales value at EXW level: [**BUSINESS PROPRIETARY INFORMATION – Calculation of Domestic Sales Value at EXW Level**].
6. Profit Margin: [**BUSINESS PROPRIETARY INFORMATION – Calculation of Profit Margin**].
7. SG&A: [**BUSINESS PROPRIETARY INFORMATION – Calculation of Domestic SG&A**].
8. We summarize the errors mentioned above as *Annex 4*. We respectfully ask that the Commission take notice of the errors above and make all necessary corrections.

Closing Remarks

9. As elaborated in paragraphs 2-3, the SKU-based COP, rather than the CTM calculated using the current MCC mapping, should be used in establishing the CTMS, as the SKU-based COP reflects the main drive in a most reasonable, correct manner. [**BUSINESS PROPRIETARY INFORMATION – Information of SKUs Sold on the Domestic Market**] The sufficiency test of domestic sales per SKU is provided in *Annex 5*.
10. Therefore, we propose that the following conditions should be met, if the Commission considers it inappropriate to use the SKU-based COP and opts in the current MCC mapping when calculating the CTMS:
 - a) The current CTM as established in Appendix 2, tab "(a) All market CTM" is used;
 - b) Non-refundable export VAT should be deducted from the export selling prices, rather than added to normal value.
 - c) The SG&A should be revised to correct the error mentioned in paragraph 7; and
 - d) The profit margin should be revised to correct the error mentioned in paragraph 6.

NON-CONFIDENTIAL

Based on the above, we hereby submit Zhuhai Grand's normal value construed per MCC in *Annex 6*. Also, a dumping margin calculation based on *Annex 6* is provided in *Annex 7* for your reference.

We take this opportunity to appreciate the Commission's continuous effort in the current inquiry. As always, we rest at the Commission's disposal for any further questions.

Respectfully submitted,

AllBright Law Offices (Beijing)

List of Annexes

Annex 1: MCC-SKU Correlation Table

Annex 2: Monthly Profit Statement

Annex 3: Revised SG&A

Annex 4: Error Summary

Annex 5: Sufficiency Test per SKU

Annex 6: Construed Normal Value per MCC

Annex 7: Dumping Margin Calculation based on Construed Normal Value per MCC

All annexes contain business confidential information and are not susceptible of summary.