



Australian Government  
Department of Industry, Science,  
Energy and Resources

Anti-Dumping Commission

## Exporter Questionnaire – Chinese Exporters

**Case number:** 557

**Product:** Certain Copper Tube

**From:** The People's Republic of China and the Republic of Korea

**Investigation period:** 1 July 2019 to 30 June 2020 (the period)

**Response due by:** 12 October 2020

(Extension Granted to 02-November-2020)

**Email enquiries to:** [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

**Anti-Dumping Commission website:** [www.adcommission.gov.au](http://www.adcommission.gov.au)

Competed by: - Naile Copper Co. Ltd  
here after referred to as "Naile".

**Responses to the exporter questionnaire must be submitted via SIGBOX. Please contact the Commission on the above email address to request access to SIGBOX.**

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b> .....	<b>2</b>
<b>INSTRUCTIONS</b> .....	<b>4</b>
<b>CHECKLIST</b> .....	<b>7</b>
<b>GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES</b> .....	<b>9</b>
<b>SECTION A COMPANY INFORMATION</b> .....	<b>11</b>
A-1    COMPANY REPRESENTATIVE AND LOCATION .....	11
A-2    COMPANY INFORMATION .....	11
A-3    GENERAL ACCOUNTING INFORMATION .....	13
A-4    FINANCIAL DOCUMENTS .....	13
<b>SECTION B EXPORT SALES TO AUSTRALIA</b> .....	<b>15</b>
B-1    AUSTRALIAN EXPORT SALES PROCESS .....	15
B-2    AUSTRALIAN SALES LISTING .....	17
B-3    SAMPLE EXPORT DOCUMENTS .....	17
B-4    RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS .....	18
B-5    RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS .....	18
<b>SECTION C EXPORTED GOODS &amp; LIKE GOODS</b> .....	<b>19</b>
C-1    MODELS EXPORTED TO AUSTRALIA .....	19
C-2    MODELS SOLD IN THE DOMESTIC MARKET .....	19
C-3    CONSIDERATION OF ADDITIONAL MCC SUBCATEGORIES APPLYING TO OUTSIDE DIAMETER, WALL THICKNESS AND/OR LENGTH .....	20
C-4    INTERNAL PRODUCT CODES .....	20
<b>SECTION D DOMESTIC SALES</b> .....	<b>21</b>
D-1    DOMESTIC SALES PROCESS .....	21
D-2    DOMESTIC SALES LISTING .....	22
D-3    SAMPLE DOMESTIC SALES DOCUMENTS .....	23
D-4    RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS .....	23
<b>SECTION E DUE ALLOWANCE</b> .....	<b>24</b>
E-1    CREDIT EXPENSE .....	24
E-2    PACKAGING .....	25
E-3    DELIVERY .....	25
E-4    OTHER DIRECT SELLING EXPENSES .....	26
E-5    OTHER ADJUSTMENT CLAIMS .....	27
<b>SECTION F THIRD COUNTRY SALES</b> .....	<b>28</b>
F-1    THIRD COUNTRY SALES PROCESS .....	28
F-2    THIRD COUNTRY SALES LISTING .....	28
F-3    DIFFERENCES IN SALES TO THIRD COUNTRIES .....	28
<b>SECTION G COST TO MAKE AND SELL</b> .....	<b>29</b>
G-1.    PRODUCTION PROCESS .....	29
G-2.    COST ACCOUNTING PRACTICES .....	29
G-3    COST TO MAKE ON DOMESTIC MARKET .....	31
G-4    SELLING, GENERAL & ADMINISTRATION EXPENSES .....	31
G-5    COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA .....	31
G-6    COST ALLOCATION METHODOLOGY .....	32
G-7 MAJOR RAW MATERIAL COSTS .....	32
G-8 RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS .....	33
G-9 CAPACITY UTILISATION .....	33
<b>SECTION H PARTICULAR MARKET SITUATION</b> .....	<b>34</b>
H-1 REPORTING REQUIREMENTS .....	34

H-2 BUSINESS STRUCTURE, OWNERSHIP AND MANAGEMENT .....	35
H-3 LICENSING .....	36
H-4 DECISION-MAKING, PLANNING AND REPORTING.....	37
H-5 FINANCIAL AND INVESTMENT ACTIVITIES.....	38
H-6 GOVERNMENT POLICY ON THE INDUSTRY .....	39
H-7 TAXATION.....	40
H-8 SALES TERMS .....	41
H-9 INDUSTRY ASSOCIATIONS.....	42
H-10 STATISTICS SUBMISSION/RECORDING .....	42
H-11 PRODUCTION/OUTPUT.....	42
H-12 SALES PRICE .....	43
H-13 ADDING CAPACITY AND/OR JOINT VENTURES .....	44
H-14 RAW MATERIALS.....	44
<b>SECTION I COUNTERVAILING.....</b>	<b>46</b>
I-1 GENERAL.....	52
I-2 PROVISION OF GOODS AT LESS THAN ADEQUATE REMUNERATION.....	52
I-3 PREFERENTIAL TAX POLICIES .....	54
I-4 FINANCIAL GRANTS.....	55
I-5 PREFERENTIAL LOANS AND INTEREST RATES.....	56
I-6 TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND EQUIPMENT .....	57
I-7 DEBT-TO-EQUITY SWAPS .....	59
I-8 UNPAID DIVIDENDS .....	60
I-9 OTHER PROGRAMS .....	61
<b>SECTION J CHINESE MARKET FOR COPPER TUBE.....</b>	<b>63</b>
J-1 PREVAILING CONDITIONS OF COMPETITION IN THE CHINESE MARKET .....	63
J-2 GOODS IN THE CHINESE MARKET .....	65
J-3 RELATIONSHIP BETWEEN PRICE AND COST .....	66
J-4 MARKETING AND SALES SUPPORT IN THE CHINESE MARKET .....	68
<b>SECTION K PRODUCTION AND PRODUCTION COSTS.....</b>	<b>70</b>
K-1 PRODUCTION OF THE GOODS.....	70
<b>SECTION L AUSTRALIAN MARKET FOR COPPER TUBE .....</b>	<b>72</b>
L-1 PREVAILING CONDITIONS OF COMPETITION IN THE AUSTRALIAN MARKET .....	72
L-2 GOODS IN THE AUSTRALIAN MARKET .....	73
L-3 RELATIONSHIP BETWEEN PRICE AND COST IN AUSTRALIA.....	74
L-4 MARKETING AND SALES SUPPORT IN THE AUSTRALIAN MARKET .....	77
<b>EXPORTER'S DECLARATION.....</b>	<b>78</b>
<b>APPENDIX GLOSSARY OF TERMS.....</b>	<b>79</b>

## INSTRUCTIONS

### Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting an investigation into certain copper tube (the goods) exported to Australia from the People's Republic of China (China) and the Republic of Korea (Korea).

The Commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether certain copper tube is dumped. The Commission will also use this information to determine whether certain copper tube has been in receipt of countervailable subsidies over the period.

### If you do not manufacture the goods

If you play a role in the export of the goods but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this questionnaire to the relevant manufacturers and inform the Commission of the contact details for these manufacturers **immediately**.

The Commission will still require your company to complete this exporter questionnaire except Section G – Cost to make and sell.

### 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 your company to be an uncooperative exporter. In that case the Commission must determine a dumping margin and/or a subsidy margin having regard to all relevant information.

Therefore, it is in your interest to provide a complete and accurate response to this exporter questionnaire, capable of verification.

### Extension requests

If you require a longer period to complete your response to this exporter questionnaire, you must submit a request to the Commission, in writing, for an extension to the due date for all or part of the questionnaire. This request must be made prior to the due date. A request for extension will be rejected if received after the due date.

When considering the extension request, the Commission will have regard to:

- the Commission's responsibility to conduct the case in a timely and efficient manner;
- the reasons why you could not provide a response within the whole period and not only the period remaining between the request and the due date;
- ordinary business practices or commercial principles;
- the Commission's understanding of the relevant industry;
- previous correspondence and previous dealings with your company; and
- information provided by other interested parties.

More information on extensions can be found in the Customs (Extension of Time and Non-cooperation) Direction 2015 at <https://www.legislation.gov.au/Details/F2015L01736>.

You will be informed of the decision whether your request for an extension has been rejected, granted in full or granted in part. For example, you may be granted an extension to submit all sections except for Section A or you may be granted a shorter extension than you requested.

A summary of any requests and grants of extensions to submit a response to this exporter questionnaire will be published in the public record.

### **Submitting a response to the exporter questionnaire**

Responses to the exporter questionnaire should be lodged via SIGBOX, a secure online document repository. Please contact the Commission on the email address listed on the cover page to request access to SIGBOX.

In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

If your response to this exporter questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then your company may be deemed as an uncooperative exporter.

### **Confidential and non-confidential responses**

You are required to lodge a confidential version (**OFFICIAL: Sensitive**) and a non-confidential version (for public record) of your response to this exporter questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either "**OFFICIAL: Sensitive**" or "**PUBLIC RECORD**".

All information provided to the Commission in confidence will be treated accordingly. The public record version of your questionnaire will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

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.

All questionnaires are required to have a bracketed explanation of deleted or blacked out information for the public record version of the questionnaire. An example of a statement to accompany deleted/blacked out text is:

[Explanation of cost allocation through the divisions, by reference to machine hours or weight].

If such an explanation is not provided, the Commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be deemed to have significantly impeded the case and be deemed an uncooperative exporter.

### **Verification of the information that you supply**

The Commission may wish to conduct a verification of your questionnaire response for completeness, relevance and accuracy of the information to your company's records.

The verification 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 relevant, complete and accurate.

The verification may include Commission staff visiting your company to conduct an onsite verification<sup>1</sup>. Any onsite verification typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with planning of a verification, please contact the Commission as soon as possible for a potential verification date to be scheduled.

---

<sup>1</sup> The Commission has temporarily suspended onsite verification due to the COVID-19 pandemic (refer to Anti-Dumping Notice No. 2020/29). However, your response to the exporter questionnaire may still be subject to onsite verification should the suspension of onsite verifications be lifted.

## OFFICIAL: PUBLIC RECORD

The onsite verification is usually conducted over 4 days. However, in complex cases, it may be scheduled over 5 days. A verification will include a detailed examination of your company's records and we will collect copies of relevant documents. The verification will require the participation of key staff, including your financial accountant, production manager and sales staff. A tour of the manufacturing facility may also be required during the verification.

The Commission may elect to undertake an alternative verification methodology than an onsite verification to satisfy itself of the completeness, relevance and accuracy of the data.

Note that the Commission may disregard any data or information that is not verified, including new or additional information provided after the verification visit.

A report will be prepared following the verification, which details the outcomes of the verification. This report will be placed on the public record and may include the publication of the preliminarily-assessed dumping margin and subsidy margin. The Commission considers that the dumping margin and subsidy margin is not confidential information, but rather an aggregate figure derived from confidential data.

You will be provided with an opportunity to comment on the accuracy and confidentiality of the verification report prior to its publication on the public record.

For information on the Commission's verification procedures, refer to Anti-Dumping Notice No. 2016/30 available on the Commission's website.

### **Important instructions for preparing your response**

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.
- Clearly identify all units of measurement (e.g. KG) and currencies (e.g. AUD) used. Apply the same measurement consistently throughout your response to the questionnaire.
- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-4.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the Commission's verification of your data.
- If you cannot present electronic data in the requested format contact the case officer as soon as possible.
- Where possible, electronic data should be shared with the Commission via SIGBOX, a secure online document repository. Please contact the Commission to request access to SIGBOX if required.

## 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 Company information	✓
Section B Export sales to Australia	✓
Section C Exported goods & like goods	✓
Section D Domestic sales	✓
Section E Due allowance	✓
Section F Third country sales	✓
Section G Cost to make and sell	✓
Section H Particular market situation	✓
Section I Countervailing	✓
Section J Chinese market	✓
Section K Production and production costs	✓
Section L Australian market	✓
Exporter's declaration	✓
Non-confidential version of this response	✓

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	✓
B-4 Upwards sales	✓
B-5 Upwards selling expenses	✓
D-2 Domestic sales	✓
F-2 Third country sales	✓
G-3 Domestic CTM	✓
G-4.1 SG&A listing	✓

**OFFICIAL: PUBLIC RECORD**

G-4.2 Dom SG&A calculation	✓
G-5 Australian CTM	✓
G-7.2 Raw material CTM	✓
G-7.4 Raw material purchases	✓
G-8 Upwards costs	✓
I-1 Company Turnover	✓
I-2 Raw Material Purchases (if required)	✓
I-3 Income Tax	✓
I-4 Grants	✓
I-5 Preferential loans	✓
I-6 Tariff and VAT exemptions	✓
I-7 Debt to equity swaps	✓
I-8 Unpaid dividends	✓



## GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices and in receipt of countervailable subsidies, are:

*Round seamless copper tube complying with Australian Standard AS 1432, Australian and New Zealand Standard AS/NZ 1571, or Australian Standard AS 1572 with an outside nominal diameter between 9.52 mm and 53.98 mm, and a nominal wall thickness between 0.71 mm and 1.83 mm, including coated tube.*

Goods specifically excluded from the goods description are:

- *thermally insulated copper tube, such as Pair Coil;*
- *Annealed coils;*
- *Layer Wound Packs/Level Wound Coils; and*
- *Copper alloy tube.*

### Additional information: Tariff Classification

The goods may be classified in Schedule 3 to the Customs Tariff Act 1995 as follows:

- 7411.10.00 (statistical code 11)

This tariff classification and statistical code may include goods that are both subject and not subject to this investigation. The listing of this tariff classification and statistical code is for convenience or reference only and do not form part of the goods described above.

### Model Control Code

Details of the model control code (MCC) structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 & G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the Commission.

Item	Category	Sub category	Identifier	Sales Data	Cost data
1	Standard	Copper tubes used for plumbing, gas fitting, drainage and/or medical gas applications (e.g. copper tube manufactured to AS1432)	P	Mandatory	Mandatory
		Copper tubes used for refrigeration and air conditioning applications (e.g. copper tube manufactured to AS/NZ1571)	R		
		Copper tubes used for engineering purposes (e.g. copper tube manufactured to AS1572)	E		
2	Temper	'Hard' Hardness (HV/5): 100 minimum	H	Mandatory	Mandatory
		'Bendable' or 'Half Hard' Hardness (HV/5): ~71-99	B		
		'Soft' or 'annealed' Hardness (HV/5): 70 maximum	S		
3	Lagging	Lagged	L	Mandatory	Mandatory
		Unlagged	U		
4	Capping	Capped	C	Mandatory	Mandatory
		Uncapped	U		
5	Form	Straight	S	Mandatory	Mandatory
		Coiled	C		
6	Finned or internally grooved	Finned	F	Mandatory	Mandatory
		Internally grooved	G		
		Plain (not finned or grooved)	P		

In constructing a MCC, use a "-" between each category. For example: 'P-H-L-C-S-P'

The MCCs will be used to model match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade test by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

At this stage, the Commission has not included categories relating to outside diameter, wall thickness or length. At the time of issuing this questionnaire the Commission has not determined appropriate subcategories for these characteristics. However, this questionnaire requires exporters to provide information on these characteristics in relation to both domestic and export sales. The Commission invites submissions from interested parties on the appropriate subcategories, if any, that should apply to outside diameter, wall thickness or length of the goods in relation to determining the MCC structure. These submissions will be considered in determining a MCC structure that may include these characteristics.

If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the Commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be deemed deficient.

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:  
Name: He Chenhui  
Position in the company: Sales Director  
Telephone: [CONFIDENTIAL TEXT DELETED]  
E-mail address: [CONFIDENTIAL TEXT DELETED]
2. If you have appointed a representative, provide their contact details:  
  
Appointed representative is employed by our exclusive customer.  
  
Name: [CONFIDENTIAL TEXT DELETED]  
Address: [CONFIDENTIAL TEXT DELETED]  
Telephone: [CONFIDENTIAL TEXT DELETED]  
E-mail address: [CONFIDENTIAL TEXT DELETED]

*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.  
  
Zhejiang Naile Copper Co.  
Industrial Park of Shangyu  
Shaoxing Zhejiang Province  
China
4. Please provide the location of the where the company's production records are held.  
  
As Above.

### A-2 Company information

1. What is the legal name of your business?  
  
Zhejiang Naile Copper Co. Ltd Here After Referred to as Naile.
2. Does your company trade under a different name and/or brand? If yes, provide details.  
  
No, Only Naile Copper.
3. Was your company ever known by a different legal and/or trading name? If yes, provide details  
  
No, Only Naile Copper.
4. Provide a list of your current board of directors and any changes in the last two years.  
  
[CONFIDENTIAL TEXT DELETED]  
  
There have been no Changes in the Last 2 Years.

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

[CONFIDENTIAL TEXT DELETED] Confidential corporate detail

(b) A list of all related companies and its functions

[CONFIDENTIAL TEXT DELETED] Confidential corporate detail

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>2</sup>

No.

If no, please provide:

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

[CONFIDENTIAL TEXT DELETED] Confidential corporate detail

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.

Naile Manufactures and sells copper tube products for use in air conditioners, Computers, Mobile Phones and Plumbing, Gas Fitting products for markets in China, Australia, Korea, Sweden, UAE, Malaysia, Indonesia, Turkey, Saudi Arabia.

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:

(a) produce or manufacture;

(b) sell in the domestic market;

(c) export to Australia; and

(d) export to countries other than Australia.

Naile performs all of these functions internally.

9. Provide your company's internal organisation chart.

Refer Confidential Attachment 2. Organisational Chart.

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

[CONFIDENTIAL TEXT DELETED] Confidential corporate management detail

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

Yes. Refer Confidential Attachment 3.

---

<sup>2</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-3 General accounting information

1. What is your financial accounting period?  
  
From January 1<sup>st</sup> to December 31<sup>st</sup> Calendar Year.
2. Are your financial accounts audited? If yes, who is the auditor?  
  
Our Accounts are Audited by [CONFIDENTIAL TEXT DELETED]
3. What currency are your accounts kept in?  
  
Currency of Accounts are kept in Chinese Renminbi (RMB)
4. What is the name of your financial accounting system?  
  
[CONFIDENTIAL TEXT DELETED]
5. What is the name of your sales system?  
  
[CONFIDENTIAL TEXT DELETED]
6. What is the name of your production system?  
  
[CONFIDENTIAL TEXT DELETED]
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.  
  
Financial accounting is electronic with Sales and Production manually integrated.  
  
[CONFIDENTIAL TEXT DELETED]
8. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If yes, please provide details.  
  
Naile is compliant with the generally accepted accounting principles of China.
9. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.  
  
There have been no changes in these processes over the last two years.

### A-4 Financial Documents

1. Please provide the two 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.  
  
Naile 2018-2019 Financial Records in Confidential Attachment 4.

**OFFICIAL: PUBLIC RECORD**

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.

Naile Finical records supplied are Audited.  
[CONFIDENTIAL TEXT DELETED]

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 period.

No.

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.

Refer Confidential Attachment 4.

5. Please provide a copy of your company's trial balance (in Excel) covering the period and the most recent financial year.

Refer Confidential Attachment 4.

6. Please provide your company's chart of accounts (in Excel).

Refer Confidential Attachment 4.

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

## SECTION B EXPORT SALES TO AUSTRALIA

### B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and any entities (e.g. agents) including:

- (a) Marketing and advertising activities.

Not Applicable. Managed by our Exclusive Customer in Australia.

- (b) Price determination and/or negotiation process.

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer

- (c) Order placement process.

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer

- (d) Order fulfilment process and lead time.

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer

- (e) Delivery terms and process.

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer

- (f) Invoicing process

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer

- (g) Payment terms and process

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:

- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;

All payments are in [CONFIDENTIAL TEXT DELETED] and are paid into the following Account:

[CONFIDENTIAL TEXT DELETED]

- (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;

Naile [CONFIDENTIAL TEXT DELETED] on exchange for export sales.

**OFFICIAL: PUBLIC RECORD**

- (c) How is the exchange rate determined in your accounting system and how often is it updated?

Naile uses [CONFIDENTIAL TEXT DELETED].

3. Are there any customers of the goods exported to Australia related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

No, our exclusive customer in Australia is not related to our company.

4. If sales are in accordance with price lists or price extras list, provide copies of these lists.

Naile do not have a price list for Australia as we have 1 exclusive customer.

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

Naile has 1 exclusive customer and therefore only have 1 distribution channel.

6. Did you provide on-invoice discounts and/or off-invoice rebates to any customer or an associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount.

Naile did not provide any on-invoice and/or off-invoice rebates in relation to the sale of the goods exported to Australia during the period.

7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

Naile did not issue any credit or debit notes directly or indirectly to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period.

8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?

The date of the sale is as per the Invoice date.

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer.

- (b) Why does this date best reflect the material terms of sale?

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer.



## B-2 Australian sales listing

1. Complete the worksheet named “**B-2 Australian sales**”
  - This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
  - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, 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.

Refer Confidential Attachment 1.

2. Provide a table listing the source of the data for each column in the “B-2 Australian sales” listing.

Refer Confidential Attachment 1. Table B-2-2 Table of Source.

## B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
  - Contracts
  - Purchase order and order confirmation
  - Commercial invoice and packing list
  - Proof of payment and accounts receivable ledger
  - Documents showing bank charges
  - Invoices for inland transport
  - Invoices for port handling and other export charges
  - Bill of lading
  - Invoices for ocean freight & marine insurance (if applicable)
  - Country of origin certificates (if applicable)

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

Refer Confidential Attachment 5.

2. For each document, please annotate the documents or provide a table reconciling the details in the “B-2 Australian sales” listing to the source documents in B-3.1.

Refer confidential Attachment 5. Reconcile B-3-2 Sample Documents

## **B-4 Reconciliation of sales to financial accounts**

1. Please complete the worksheet named **“B-4 Upwards sales”** to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the **“B-4 Upwards sales”** worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the **“B-4 Upwards sales”** worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

Refer Confidential Attachment 1.

## **B-5 Reconciliation of direct selling expenses to financial accounts**

1. Please complete the worksheet named **“B-5 Upwards selling expense”** to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the **“B-5 Upwards selling expense”** worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the **“B-5 Upwards selling expense”** worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column C of the worksheet; and
  - highlight or annotate the amount shown in the source document.

Refer Confidential Attachment 1.

## SECTION C EXPORTED GOODS & LIKE GOODS

The Commission considers the MCC structure in and of itself is not likely to be commercially sensitive information. Any claim that disclosing the MCC information is confidential or would adversely affect your business or commercial interests must be raised by lodging a submission as soon as practicable, but no later than the time this questionnaire is due.

### C-1 Models exported to Australia

1. Fully describe all of the goods your company exported to Australia during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the goods exported to Australia.

The details of the goods exported are defined within the required listing provided. Refer Confidential Attachment 9 for complete certified listings.

Products Exported are as per AS1432-2004 Standards Defined Products.

2. Provide a list of MCCs of the goods exported to Australia. This must cover all MCCs listed in the Australian sales listing in B-2.

- This list must be disclosed in the public record version of the response.

P-B-U-U-S-P

P-H-U-U-S-P

P-B-L-U-S-P

P-H-L-U-S-P

### C-2 Models sold in the domestic market

1. Fully describe all like goods your company sold on the domestic market during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the like goods sold on the domestic market.

Naile produces and sells LWC-LWP and Annealed Coil Products in the domestic market as well as straight tubes outside the scope of coverage for Plumbing application. Naile has not sold any Airconditioning tube to Australia during the investigation period. Straight Tube produced are, refrigeration category for OEM application and are sold based on [CONFIDENTIAL TEXT DELETED] (Commercial terms and Application for customer.)

There are no like goods sold with relation to the Goods coverage to which we have Exported to Australia. The MCC applied is contradictory to the Goods defined.

1. Coiled Products are required under the MCC but specifically excluded from the Goods under consideration.
2. Finned / Inner Groove products are also defined in the MCC but are only supplied in Annealed Coil form of LWP-LWC to which are also specifically excluded from the defined Goods.

We have only exported goods to Australia as per the requirements of AS1432 to which is specific for Australia only, as per the commercial terms of our exclusive customer as well as for Temper, Outside Diameter, Wall thickness, Length and Printing and Incising, water quality and other requirements as defined in AS1432-2004.

All of these aspects when combined in accordance with the standard AS1432-2004 to which they are produced differ from any requirement for China or any other export product for any other country other than Australia.

2. Provide a list of MCCs of like goods sold on the domestic market. This must cover all MCCs listed in the domestic sales listing in D-2.
  - This list must be disclosed in the public record version of the response.

R-H-U-U-S-P

### **C-3 Consideration of additional MCC subcategories applying to outside diameter, wall thickness and/or length**

At this stage, the Commission has not included MCC categories relating to outside diameter, wall thickness or length in this questionnaire. At the time of issuing this questionnaire the Commission has not determined appropriate subcategories for these characteristics. However, this questionnaire requires exporters to provide information on these characteristics in relation to both domestic and export sales. The Commission invites submissions from interested parties on the appropriate subcategories, if any, that should apply to outside diameter, wall thickness or length of the goods in relation to determining the MCC structure.

1. Provide a list of the relevant subcategories that your company considers that should apply to:
  - Outside diameter;
  - Wall thickness;
  - Length

No subcategories can be defined. The MCC should be applied based on the specific requirements of the controlling standards of the defined Goods and the tolerances and combinations of the individual tube types and requirements. Comparisons and costs associated with each product production and tolerance as well as other specific requirements will vary extensively.

### **C-4 Internal product codes**

1. Does your company use product codes or stock keeping unit (SKU) codes?

If yes:

- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- (c) Provide a table of showing the product or SKU codes for each MCC.

If no:

- (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

No. Naile will use the customers' requirements for coding / description identification, or as defined by the respective Standards compliance of product by size, wall thickness material type form and temper.

## SECTION D DOMESTIC SALES

### D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:

- (a) Marketing and advertising activities.

Naile attends Exhibitions, Promotion by B2B Platforms as well as Website and contacts made during these processes.

[www.chinacoppertube.com](http://www.chinacoppertube.com)

- (b) Price determination and/or negotiation process

[CONFIDENTIAL TEXT DELETED] Commercial arrangements

- (c) Order placement process

[CONFIDENTIAL TEXT DELETED] Commercial arrangements

- (d) Order fulfilment process and lead time

[CONFIDENTIAL TEXT DELETED] Commercial arrangements

- (e) Delivery terms and process

[CONFIDENTIAL TEXT DELETED] Commercial arrangements

- (f) Invoicing process

[CONFIDENTIAL TEXT DELETED] Commercial arrangements

- (g) Payment terms and process

[CONFIDENTIAL TEXT DELETED] Commercial arrangements

2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

No. There are no domestic customers related to our company.

3. If sales are in accordance with price lists or price extras list, provide copies of these lists.

Sales are not in accordance with price lists or price extras list as each customers requirement and product will have significant differences by standards and other requirements as well as variables in LME costs by date and pricing method.

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

[CONFIDENTIAL TEXT DELETED] Pricing Policy

5. Did you provide on-invoice discounts and/or off-invoice rebates to the customer or an associate of the customer in relation to the sale of the like goods during the period? If yes, provide a description; and explain the terms and conditions that must be met by the importer to obtain the discount.

Naile did not provide on-invoice discounts and or off-invoice rebates to any customer or an associate of any customer.

6. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

Naile did not issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period

7. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?
- (b) Why does this date best reflect the material terms of sale?

Naile invoice date is the date of the Sale.

## D-2 Domestic sales listing

1. Complete the worksheet named “D-2 Domestic sales”
  - This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia
  - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - 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-2 above, add a column for each item. For example, certain other selling expenses incurred.
2. Provide a table listing the source of the data for each column in the “D-2 domestic sales” listing.

Refer Confidential Attachment 1.

### D-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:
  - Contracts
  - Purchase order and order confirmation
  - Commercial invoice and packing list
  - Proof of payment and accounts receivable ledger
  - Documents showing bank charges
  - Delivery invoices

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

2. For each document, please annotate the documents or provide a table reconciling the details in the "D-2 Domestic sales" listing to the source documents in D-3.1.

Refer Confidential Attachment 1.

### D-4 Reconciliation of sales to financial accounts

This section is not required if you have completed B-4.

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listings in D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, D-2 and F-2, required to complete the "B-4 Upwards sales" worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the "B-4 Upwards sales" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

Not Applicable Refer Section B4.

## SECTION E DUE ALLOWANCE

### E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
  - (a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
    - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover
  - (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?
  - (c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?

All Payment Terms are defined [CONFIDENTIAL TEXT DELETED] Payment Terms.

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
  - (a) Do you provide a rolling credit facility to your Australian customers (i.e. no specific payment terms agreed at the time of sale)? If yes:

We supply payment terms [CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer.

- i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each domestic customer by dividing 365 by the account's receivable turnover
  - (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
    - i. Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

[CONFIDENTIAL TEXT DELETED] Commercial arrangements

- ii. What is the interest rate, or average of interest rates, applying to term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

Refer Confidential Attachment 5.



## E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?

Packaging will vary depending on customer requirements as well as form and temper and transport. Straight length packaging is most predominantly bundled with rope or slings for lifting and sometimes wrapped in clear or black plastic film.

2. What is the packaging used for your export sales of the goods to Australia?

Straight lengths are bundled and wrapped in clear plastic film with 3 lifting points and Labelling.

3. If there are distinct differences in packaging between your domestic and export sales:
  - (a) Provide details of the differences
  - (b) Calculate the weighted average packaging cost for each model sold on the domestic market
  - (c) Calculate the weighted average packaging cost for each model exported to Australia

There are no Significant differences with Straight length packaging for our Export to Domestic Market.

## E-3 Delivery

1. Are any domestic sales of like goods delivered to the customer? If yes, how were the transportation costs calculated in the domestic sales listing in D-2?

There are no Like goods produced.

Normal delivery of domestic sales would be [CONFIDENTIAL TEXT DELETED] Costing.

2. What are the delivery terms of the export sales of the goods to Australia?

[CONFIDENTIAL TEXT DELETED] Delivery Terms.

3. If the delivery terms of the Australian sales includes delivery to the port, how were the inland transport and port charges calculated in the Australian sales listing in B-2?

Refer Confidential Attachment 1 Naile B-2-2 Table of Source.

4. If the delivery terms of the Australian sales includes ocean freight, how was the ocean freight cost calculated in the Australian sales listing in B-2?

Refer Confidential Attachment 1 Naile B-2-2 Table of Source.

5. If the delivery terms of the Australian sales includes marine insurance, how was the marine insurance calculated in the Australian sales listing in B-2?

Refer Confidential Attachment 1 Naile B-2-2 Table of Source.

6. If the delivery terms of the Australian sales includes delivered duty paid, how were the Australian importation and delivery costs calculated in the Australian sales listing in B-2?

Refer Confidential Attachment 1 Naile B-2-2 Table of Source.

## E-4 Other direct selling expenses

1. Do you provide sales commissions for domestic sales of like goods and/or export sales of the goods? If yes, provide details.

Naile do not provide sales commissions.

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:

- What is the rate of value-added tax (VAT) on sales of the goods and like goods?

There is no VAT Tax on the sales of the goods the we exported to Australia.  
If there were like goods sold into the Domestic market the tax would be VAT 13%

- How is VAT accounted for in your records in relation to sales of the goods and like goods?

[CONFIDENTIAL TEXT DELETED] Accounting system processing.

Refer Confidential Attachment 1, 4 and 7.

- Do you receive a VAT refund in relation to sales of the goods and/or like goods?

For the Goods Exported to Australia we did not receive any VAT refund in relation to these goods.

- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

No.

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

Refer Confidential Attachment 1. B-5 Total Domestic  
[CONFIDENTIAL TEXT DELETED] Amount.

[CONFIDENTIAL TEXT DELETED] Table.

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

Refer Confidential Attachment 1. B-5 Total Australian Selling Expense  
[CONFIDENTIAL TEXT DELETED] Amount.

[CONFIDENTIAL TEXT DELETED] Table.

## E-5 Other adjustment claims

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.
  - An adjustment will only be made where there is evidence that the difference affects price comparability.
  - Refer to Chapter 15 of the *Dumping and Subsidy Manual (November 2018)* for more information.

Naile is not aware of any other adjustment claims at this time.

## SECTION F THIRD COUNTRY SALES

### F-1 Third country sales process

1. Are your sales processes to any third country (i.e. exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.

Our Sales Processes are the same.

2. Are there any third country customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

There are no related customers to our company.

3. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?

The Invoice date is the date of Sale.

- (b) Why does this date best reflects the material terms of sale?

This is the date of despatch from our factory.

### F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
  - This worksheet lists all export sales, summarised by country and customer, to third countries of like goods invoiced within the period.
  - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Provide a table listing the source of the data for each column in the export sales listing (F-2.1).

There are no like goods exported to third countries as they are categorised under excluded products and not to the AS1432 or AS1571-2 requirements. The exports are for LWC products and Annealed Coils to other international standards requirements.

### F-3 Differences in sales to third countries

1. Are there any differences in sales to third countries which may affect their comparison to export sales to Australia? If yes, provide details.

There are considerable differences in the products and Standards tolerances, design, temper and form in these sales that cannot be compared to sales to Australia.

Products Exported to third countries are under the following standards: -

ASTM B280  
JIS H3300

## SECTION G COST TO MAKE AND SELL

### G-1. Production process

1. Describe the production process for the goods and 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.

The Production process and flowchart is defined in Confidential Attachment 9.  
Extract QPS V10 2019.

This Flow Chart is defined for the Goods only.

Each Product type by required standards requirement has its own defined specification sheet and process listing. All Copper tubes are produced using base equipment and process but have significant variations with the amount of applied processes and re-processes and drawing used to achieve the defined dimensional tolerances, as well as form and temper.

[CONFIDENTIAL TEXT DELETED] Quality control

During copper production all scrap created from production is 100% recycled back into the casting furnace for re use. Production issues and quality issues do not result in lost material.

2. Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

There are no Suppliers related to our company.

### G-2. Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?

Our Company's cost accounting system is based [CONFIDENTIAL TEXT DELETED] Costs.

2. If your company uses standard costs:
  - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?

Refer Confidential attachment 1 G-5 has [CONFIDENTIAL TEXT DELETED] Costing.

- (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?

[CONFIDENTIAL TEXT DELETED] Costing.

- (c) How were those variances allocated?

[CONFIDENTIAL TEXT DELETED] Costing.

- (d) Provide details of any significant or unusual cost variances that occurred during the period.

There were significant cost variations within the period based on COVID-19 Impacts on a global scale. The cost of LME Copper pricing From January to June within the period experienced a significant impact in price variations and volatility as well as imposed requirements within factories and costs associated with COVID-19 that are still not fully defined or accounted for.

**OFFICIAL: PUBLIC RECORD**

3. Do you have different cost centres in your company's cost accounting system? If yes, list the cost centres, provide a description of each cost centre and the allocation methodology used in your accounting system.

Naile do not have different cost centres in our accounting system.

4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?

[CONFIDENTIAL TEXT DELETED] cost accounting system.

5. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.

No.

6. Has your company engaged in any start-up operations in relation to the goods? If yes:  
(a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.  
(b) 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.

No.

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

[CONFIDENTIAL TEXT DELETED] cost accounting system.

8. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?

Stated products are re-processed.

9. What are the valuation methods for scrap, by products, or joint products?

Not Applicable.

10. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details

No.

### **G-3 Cost to make on domestic market**

1. Complete the worksheet named "**G-3 Domestic CTM**".
  - This worksheet lists the quarterly cost to make the domestic models of like goods by MCC manufactured within the period, even if they are models not exported to Australia.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.
2. Provide a table listing the source of the data for each column of the "G-3 Domestic CTM" listing.

We do not make any like goods as defined to AS1432-AS1571 for the domestic market.

### **G-4 Selling, General & Administration expenses**

1. Complete the worksheet named "**G-4.1 SG&A listing**".
  - This worksheet lists all selling, general and administration expenses by account code for the most recent accounting period and the period.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Refer Confidential Attachment 1

2. Complete the worksheet named "**G-4.2 Domestic SG&A calculation**".
  - This worksheet calculates the unit domestic SG&A for each MCC.
  - You must provide this list in electronic format using the template provided.
  - Please use the formulas provided.

Refer Confidential Attachment 1.

### **G-5 Cost to make the goods exported to Australia**

1. Complete the worksheet named "**G-5 Australian CTM**".
  - This worksheet lists the quarterly cost to make the Australian models of the goods under consideration by MCC manufactured within the period.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

Refer Confidential Attachment 1.

2. Provide a table listing the source of the data for each column of the "G-5 Australian CTM" listing.

Refer Confidential Attachment 1.

## G-6 Cost allocation methodology

1. What is the allocation methodology used to complete in G-3 domestic CTM and G-5 Australian CTM for:
  - (a) Raw materials
  - (b) Labour
  - (c) Manufacturing overheads

[CONFIDENTIAL TEXT DELETED] cost accounting.

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the allocation methodology described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

Refer Confidential Attachment 1

## G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?

Copper Cathode.

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.
  - This worksheet lists the quarterly cost to make the raw material manufactured within the period.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

No Not applicable.

3. Using the domestic cost data in "G-3 Domestic CTM" (use "G-5 Australian CTM" if you have no domestic production of like goods), calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

Refer Confidential Attachment 1.

4. For each raw material identified in G-7.3 which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"
  - This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Refer Confidential Attachment 1.



5. Provide a table listing the source of the data for each column of the "G-7.4 Raw material purchases" listing.

Refer Confidential Attachment 1.

6. For each raw material:
  - (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.
  - (b) Reconcile the total value listed in "G-7.4 Raw material purchases" listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Refer Confidential Attachment 1.

7. Are any of the suppliers in "G-7.4 Raw material purchases" listing related to your company? If yes, please provide details on how the price is set.

No.

## **G-8 Reconciliation of cost to make to audited financial statements**

1. Please complete the worksheet named "G-8 Upwards costs" to demonstrate that the cost listings in G-3 and G-5 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Refer Confidential Attachment 1.

2. Please provide any documents, other than those in A-4, G-3 and G-5, required to complete the "G-8 Upwards costs" worksheet.

Not Applicable refer Confidential Attachments.

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

Refer Confidential Attachment 1.

## **G-9 Capacity Utilisation**

4. Please complete the worksheet named "G-9 Capacity Utilisation".
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Refer Confidential Attachment 1.

## SECTION H PARTICULAR MARKET SITUATION

### H-1 Reporting requirements

1. Describe generally all interaction that your business has with the Government of China at all levels, including (but not limited to):

- (a) reporting requirements;

Submission to the Shangyu Statistics Bureau, Relating to Production Data and Labour and Personnel Data as defined local requirements.

- (b) payment of taxes;

Naile pays taxes as defined within the regulations of relevant China Laws. These are paid and reported in line with stated requirements. As detailed, we have audited annual accounts that are processed with Tax requirements defined and paid when and as due.

- (c) senior management representation within your business;

Naile is a privately owned business and we have no GOC involvement within our management staff currently hired and/or recruited using standard defined business and regulatory requirements.

- (d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC.

Naile is privately owned and operated with no supervision or control from any such commission and/or body.

- (e) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);

As stated above we have no such involvement relating to company operations.

- (f) licensing;

Naile complies with the requirements of the GOC for a privately owned and operated business with a respective business license as previously defined and supplied.

- (g) restrictions on land use;

Land use is applied and referenced only in zoning and applications within the Shangyu District Land and Resources Management Bureau for these functions.

- (h) provision of loans; or

All loans held by Naile are negotiated on commercial terms with commercial banks.

- (i) provision of grants, awards or other funds.

Grants received are defined within confidential Attachment 1.

## H-2 Business structure, ownership and management

1. Indicate whether your company is a state-owned or state-invested enterprise (SIE)
  - A state-owned enterprise refers to any company or enterprise that is wholly or partially owned by the GOC (either through direct ownership or through association).

Naile is Privately owned and is not State Owned or State-invested enterprise (SIE).

2. List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to.

[CONFIDENTIAL TEXT DELETED] Confidential company detail

3. Indicate the names of common directors and officers between your business and related businesses, where applicable.

[CONFIDENTIAL TEXT DELETED] Confidential company detail

4. Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the Government of China (at any level, from any agency, party, or otherwise associated entity, including SASAC)? If yes, identify the individuals, their role on that Board and their affiliation with the Government of China.

No.

5. Does your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If yes, identify their name and title and indicate their position at the board level.

No.

6. Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the Government of China? If yes, identify any relevant government department(s) they are affiliated with.

No.

7. Indicate who owns what percentage of all shares in your business and identify whether they are:

[CONFIDENTIAL TEXT DELETED] Confidential company detail

- an affiliate, representative, agency or otherwise representative of the Government of China;

No.

- employees of your business;

No.

- foreign investors; or

No.

- other (please specify).

Not applicable.

8. Provide the details of any significant changes in the ownership structure of your business during the period.

There have been no changes in the ownership structure during the period.

9. Identify any positions within your business that are appointments or designated to act on behalf of Government of China authorities.

Naile has no such positions within our business.

10. Explain whether there are requirements in law and in practice to have government representation at any level of your business. If there is such a requirement, explain the role of government representatives appointed to any level of your business.

There is no requirement for this.

11. If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed.

Our Business is not Publicly Traded.

12. Provide the monthly trading volume and average monthly trading price of your listed security over the period.

Not applicable.

13. Who has the ability to reward, fire or discipline your business' senior managers?

The Directors in line with company policies and procedures.

14. Do any of your company's senior managers hold positions in any Government of China departments or organisations, associations or Chambers of Commerce? If yes, describe the nature of these positions.

No.

15. Provide the names and positions of your company's pricing committee.

[CONFIDENTIAL TEXT DELETED] Confidential company details

### H-3 Licensing

1. Provide a copy of your business license(s).

Refer Confidential Attachment 6.

2. Identify the Government of China departments or offices responsible for issuing the license(s).

Shaoxing Market Authority

3. Describe the procedures involved in applying for the license(s).

Complete Application Process-Name Authorization-Approval Process-Get the license

4. Describe any requirements or conditions that must be met in order to obtain the license(s).

Application process and verification by the required authority.

5. Describe and explain any restrictions imposed on your business by the business license(s).

The scope of business as specified in the business license.

6. Describe any sanctions imposed on your business if you act outside the scope of your business license(s).

Correction Order, request to change the scope of business.

7. Describe and explain any rights or benefits conferred to your business under the license(s).

To carry out business within its scope of coverage.

8. Describe the circumstances under which your business license(s) can be revoked, and who has the authority to revoke the license(s).

The Issuing Body has the authority to revoke the license.

Possible Circumstances for a license to be revoked would include but no limited to:

- Fraud
- Illegal Activity.
- Failing to comply with tax file lodgement and Tax Payments.
- Engaging operations within a timely manner or ceasing operations without notifications.
- Not operating within the scope of issue.
- Failing to renew the license when due.

#### H-4 Decision-making, planning and reporting

1. Provide a description of your business' decision-making structure in general and in respect of the goods. This should identify the persons or bodies primarily responsible for deciding:
- a. what goods are produced;

Goods Produced are relevant to orders placed by the customer [CONFIDENTIAL TEXT DELETED] Confidential management detail.

- b. how the goods are produced;

Goods are produced based on determined production process relevant to Standards requirements. [CONFIDENTIAL TEXT DELETED] Confidential management detail.

Refer Production Flow Chart in Confidential Attachment 9.

- c. how levels of inputs such as raw materials, labour and energy are set and secured;

[CONFIDENTIAL TEXT DELETED] Confidential management detail.

- d. how the use of your outputs, such as product mix, is determined; and

[CONFIDENTIAL TEXT DELETED] Confidential management detail.

- e. how your business' profit is distributed.

Our business's profit is distributed to the defined shareholders.

2. Provide a description of any Government of China input into the decision-making process respecting your manufacture, marketing and sale of the goods.

Naile does not have any Government of China input into the decision-making process respecting our manufacture, marketing and sale of the goods.

3. Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of the goods.

Not applicable.

4. List and describe all reports that must be submitted to the Government of China periodically by your company, and identify the government department/office where each report is filed.

Shangyu National taxation bureau / Tax return.  
Shangyu Statistical Bureau / Statistical statement.

5. Provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

Naile is not aware of any such plan in our city or Province.

6. Does your business develop any five-year plans or similar planning documents? If yes, provide copies of these plans and advise whether these plans have been submitted, reviewed or approved by the Government of China (including the National Development and Reform Commission).

Naile did not develop any five-year plans or similar planning documents.

7. Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the period.

Naile do not record such minutes due to our structure of ownership.

8. Provide copies of the notes to company meetings where pricing decisions on the goods under consideration have been made over the period.

Naile did not conducted meetings relating to pricing of the goods under consideration during the period.

## H-5 Financial and investment activities

1. Is your business debt funded? If yes, provide a list of all major lenders.

Refer Confidential Attachment 4 Finical Records.

Major Lenders  
[CONFIDENTIAL TEXT DELETED]

2. What is the rate of interest paid by your business on all debt instruments over the last 5 years?

Naile's rate of interest is [CONFIDENTIAL TEXT DELETED] on all debt instruments over the last 5 Years.

3. Has your business benefited from any concessional interest rates for your loans/debts in the last 5 years? If yes, provide details.

Naile has not benefited from any concessional interest rate for loans/debts in the last 5 Years. All Loans are based on commercial negotiations with commercial banks.

4. Has your business raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt and/or equity instruments in the last 5 years? If yes:
- explain what instruments were used;
  - identify the type (e.g government guarantee) and provider of the security; and
  - explain the reasons for raising the capital.

No.

5. Does your business have policies on how cash reserves are to be invested? If yes, provide details.

No.

6. Has your business invested in either government or non-government debt securities (such as bonds, quasi-government bonds)? If yes, provide details (e.g. type of instrument, amount invested and the expected rate of return).

Naile did not invest in government or non-government debt securities.

## H-6 Government policy on the industry

1. Are there any Government of China opinions, directives, decrees, promulgations, measures, etc. concerning industry of the goods that were put in place or operating during the period? If yes, please provide:
- copy of the documentation and a translation in English;
  - documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning the goods to your company during the period.

No.

2. Provide information concerning the name of any Government of China departments, bureaus or agencies responsible for the administration of all Government of China measures concerning the industry of the goods in the regions, provinces or special economic zones where your company is located, including contact information regarding the following areas:

- industrial policy and guidance on the industry;

Shangyu District People's Government.  
987 Civil Boulevard  
Shangyu China 312300

- market entry criteria for the industry;

Shaoxing Market Supervision Administration  
216 West Fenglin Road  
Shaoxing Zhejiang China  
Ph +86 0575 85519057

- environmental enforcement for the industry;

Shangyu District environmental protection bureau  
443 Middle Renming Rd  
Shangyu Shaoxing Zhejiang China 312300  
+86 575 82188970

- management of land utilization;

Shangyu District Land and Resources Management Bureau  
443 Middle Renming Rd  
Shangyu Shaoxing Zhejiang China 312300  
+86 0575 82119933

- the China Banking Regulatory Commission for the industry;

Naile is not Aware of the regulatory commission. We deal only with commercial banks on negotiated commercial terms as previously defined.

- investigation and inspection of expansion facilities;

Shangyu District Land and Resources Management Bureau  
443 Middle Renming Rd  
Shangyu Shaoxing Zhejiang China 312300  
+86 0575 82188970

- the section in the National Development and Reform Commission that is responsible for the industry; and

Shangyu District Development and Reform Commission  
987 Civil Boulevard  
Shangyu China 312300

- import licensing for raw materials relating to the goods under consideration.

Copper Cathode importing does not need licensing only the use of registered providers as previously defined.

3. Describe any role your company plays in the development of government's industrial plans and/or policies at all levels of government. For example, does your company provide information for, or request inclusion in, any plans, policies, or measures?

There is not any role Naile plays in the development of the government's industrial plans and polices at all levels of government.

4. Does your company provide information relating to assessments of the implementation of the plan, policy or measure?

Not applicable.

5. Has the Government of China designated your company and/or industry as "pillar," "encouraged," "honourable," or any other designation? If yes, please answer the following questions.
  - a. Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.
  - b. Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?
  - c. Describe any instances in which your company cited Government of China plans, policies, or measures as support for receiving the financing that you report.

Naile did not get this designation or evaluation from the government.

## H-7 Taxation

1. Were there any export taxes on the exports of the goods during the period?

There were no export taxes on the exports of the goods during the period.

2. What was the value-added tax rebate applicable to exports of the goods during the period?

VAT 13% was the value added tax applicable on local inputs related to production of the goods during the period if applied. No VAT claim was made in relation to these inputs on the goods exported.



3. Have there been any changes to the value-added tax rebate applicable to exports of the goods in the last 5 years? If yes, provide:
  - a. a detailed chronological history of the value-added tax rebate rates;
  - b. products affected;
  - c. the effective dates of the rate changes;
  - d. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.

No, the Rate has been the same since 2009.

4. Are you aware of any tax changes being planned that would impact the industry?

Naile is not aware of any changes being planned.

## H-8 Sales Terms

1. Identify the person who authorises the sales terms, prices and other contract provisions for the sale of the goods by your business.

The General Manager of Zhejiang Naile Copper Co., Ltd  
[CONFIDENTIAL TEXT DELETED]

2. Explain how the selling prices of the goods under consideration by your business are determined, including any Government of China involvement in your business' pricing decisions, and indicate if the goods are subject to Government of China direct or indirect pricing or government guidance pricing.

Copper tube selling prices are determined based on Copper price + fabrication cost basis. The Government of China did not have any involvement in Naile pricing decisions. The goods are not subject to Government of China direct or indirect pricing and/or Government guidance pricing.

3. Does your business coordinate the selling prices or supply of the goods with other domestic producers or any Government of China departments? If yes, provide details.

No.

4. Explain whether your business provides information or data to the Government of China, other government officials or commercial/industry organisations, including those outside of China, which report on the industry.

Naile did not provide specific information or data to the Government of China, other government officials or commercial / industry organisations, including those outside of China. We declare and supply export invoicing and required documentation to China Customs as required in the normal course of export order processing.

5. Explain whether your business provides price data to any other person at the provincial, regional or special economic zone level of government.

Naile did not provide any price data to any other person at the provincial, regional or special economic zone level of government. We declare and supply export invoicing and required documentation to China Customs as required in the normal course of export order processing.

## H-9 Industry associations

1. Is your business a member of any business or industry associations? If yes, explain your business' relationship with the association and the involvement of the Government of China with the associations.

No.

2. If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the Government of China concerning the industry.

No.

## H-10 Statistics submission/recording

1. Indicate if your business makes submissions to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

Naile make submissions to Shangyu Statistics Bureau  
The type of information submitted is Production data and labour and personnel only.

2. Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs.

Refer Confidential attachment 10.

3. Do the organisations approve or assess your submission? If yes, provide a detailed explanation.

No.

4. Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

No.

## H-11 Production/output

1. Is any part of your production subject to any national/regional industrial policy or guidance? If yes, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance. To what extent are any of the policies/guidelines applicable to your business?

No.

2. Where applicable, how did your business respond to the policies/guidelines?

Not applicable.

3. Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of the goods and/or like goods that may be imposed by the Government of China.

There are not any restrictions to the sale of the goods and like goods that are imposed by the Government of China.

4. Provide a list of all your domestic customers of the like goods, include the location (city and province) of the customer and indicate whether each customer is an SIE.

Naile do not sell any like goods in the domestic Market.

5. Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon your business? If yes, provide details.

There are no restrictions on the quantity of the production of the goods placed upon our business but they can only be sold to our exclusive customer in Australia.

There are restrictions on the quality of the goods. The quality must be to the specification and standard as defined and must be Batch Released Tested and verified conformant before despatch of goods as per the procedures and requirements stated by our exclusive customer in Australia.

6. Does your business require an export licence? If yes, provide details.

There is no export license required, however there is a Watermark license required to produce the goods that also needs to be printed and incised onto the goods. This license is held by our exclusive customer in Australia with our factory noted by the certifying body as the licensed manufacturing site.

7. Are the goods sold by your business subject to any export restrictions and/or limits during the previous 5 year? If yes, provide details.

Yes. Sale of the goods must be only be to our exclusive Australian customer only.

8. Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of the goods.

There are also restrictions on use and disclosure of intellectual property, equipment supplied, processes and control documents by our exclusive Australian customer.

9. Have there been any changes to your production capacity over the last 5 years? If yes, provide details.

There have been no changes to our production capacity over the last 5 years.

10. Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas, etc.)? If yes explain the nature and the amount of the concession?

Naile did not benefit from any concession on the purchase of any utility services.

## H-12 Sales price

1. Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the period.

Naile has not been subjected to any direct or indirect price guidance or controls by the Government of China during the period.

2. Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the period, with respect to raw material inputs.

Naile has not been subjected to any direct or indirect price guidance or controls by the Government of China during the period, with respect to raw material inputs.

3. Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

Naile has not encountered any price guidance or controls established by regional, provincial or special economic zone officials and organizations.

4. Describe in detail how the selling price of the goods is determined. In particular, provide details of any restrictions, limitations, or other considerations imposed on your business.

The selling price is determined by: -

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer

5. Which organisation/business entity do you consider as the price leader of the goods?

For the goods in question we do not have any information on this.

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer

6. Does your business have a pricing committee in respect of the goods? If yes, provide the names and positions of all members of the committee.

Yes, as previously defined.

[CONFIDENTIAL TEXT DELETED] Confidential management detail

7. How often does the pricing committee meet to discuss selling prices of the goods? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the period.

During the period the pricing committee has not meet in relation to the goods.

8. Identify the person who authorises the sales terms, prices and other contract provisions for the sale of the goods by your business.

The general Manager of Zhejiang Naile Copper Co., Ltd

[CONFIDENTIAL TEXT DELETED] Confidential management detail

9. If you have production facilities of the goods in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of the goods? If no, provide details on the differences.

We only produce the goods in the one defined facility.

### **H-13 Adding capacity and/or joint ventures**

1. Provide a detailed explanation with respect to the government approval process on adding capacity and/or joint ventures in relation to your business.

To add production capacity, we need to pass environmental assessment and energy consumption assessment.

Naile did not have any joint venture plans in relation to our business and cannot define any government approval process requirement.

2. Does the government have the right to request modifications in the terms of adding capacity and/or joint ventures? If yes, provide a detailed explanation.

The government has no right to request modifications in the terms of adding capacity and joint ventures as far as Naile is aware.

### **H-14 Raw materials**

1. Are any of the suppliers related or affiliated with you? If yes, provide detail/s.

There are no suppliers related or affiliated with Naile.

2. Do you purchase from State Invested Enterprises? If yes, provide a detail/s.

No. not that we are aware of relating to the Goods.

**OFFICIAL: PUBLIC RECORD**

3. If your supplier is based outside China, what import duty rate is applied on the raw materials?

No import duty is applied for export goods.

4. Is there a price difference in purchase price for raw materials between your suppliers? If yes, provide a detailed explanation.

Copper Cathode is purchased using LME Pricing. There can be differentials in Premiums and delivery charges and payment terms negotiated with different certified suppliers.

5. Describe in detail your business' purchase procedures of the raw materials, the considerations in selecting a supplier and how the price of the raw materials is determined between you and your suppliers. If it is by tenders, provide details of the criterions/conditions.

[CONFIDENTIAL TEXT DELETED] Procurement process.

6. If any of your raw materials for the goods and/or like goods are imported by your business, or related businesses:

- a. Provide details including a description of the raw material imported, the supplier and country of origin.

Description of the raw material: Copper Cathode Grade A

Suppliers:

[CONFIDENTIAL TEXT DELETED]

- b. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).

Process order via LME Certified supplier via broker. Delivery is then verified by broker for delivery of product from LME warehousing. Licensing and declarations in regards to volume and price maintained by registered suppliers and required reporting to relevant authorities undertaken.

- c. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).

Registered supplier via LME control and register volumes distributed.

- d. Are you eligible for a duty drawback? If yes, provide details.

Exported volumes are audited during export process via Chinese Customs to cross correlated procured volume to exported volume usage.

7. Do you, or a business associated with you, sell any of the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods?

- a. Please provide a description of the raw material or semi-processed goods which are sold, including whether they are domestic or export transactions, to related or unrelated parties, and how the selling price is determined.

- b. If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.

Naile did not sell any of the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods.

## SECTION I COUNTERVAILING

The following programs are being investigated:

No.	Program name	Type
1	Preferential Tax Policies for Enterprises with Foreign Investment (FIEs) Established in Special Economic Zones (SEZs) (excluding Shanghai Pudong Area)	Tax
2	Preferential Tax Policies for FIEs Established in the Coastal Economic Open Areas and in the Economic and Technological Development Zones	Tax
3	Preferential Tax Policies for FIEs Established in the Pudong Area of Shanghai	Tax
4	Preferential Tax Policies in the Western Regions	Tax
5	Corporate Income Tax Exemption and/or Reduction in SEZs and other Designated Areas	Tax
6	Local Income Tax Exemption and/or Reduction in SEZs and other Designated Areas	Tax
7	Exemption/Reduction of Special Land Tax and Land Use Fees in SEZs and Other Designated Areas	Tax
8	Tariff and Value-added Tax (VAT) Exemptions on Imported Materials and Equipment in SEZs and other Designated Areas in Guangdong	Tariff and VAT
9	Income Tax Refunds where Profits are Re-invested in SEZs and other Designated Areas	Tax
10	Preferential Tax Program for FIEs Recognized as HNTEs (High and New Technology Enterprises)	Tax
11	Preferential Tax Policies for FIEs which are Technology Intensive and Knowledge Intensive	Tax
12	Services or Goods provided by Government or public bodies at the preferential prices to enterprises located in SEZs and other designated areas	Provision of goods
13	VAT Exemptions for the Central Region	VAT
14	Tax over-refunds or over-exemptions for the water, electricity and gas consumed in the Export Processing Zone	Tax
15	Custom Duty Exemption and VAT Exemption for machinery, equipment, construction materials imported into the Export Processing Zone for the construction of production facilities (such as factory and warehouse) in the zone	Tariff and VAT
16	Custom Duty Exemption and VAT Exemption for machinery, equipment, moulds/dies and the corresponding repairing parts imported into the Export Processing Zone and used for the production by Enterprises in the zone	Tariff and VAT
17	Custom Duty over-refund or over-exemption and VAT over-refund or over-exemption for raw materials, parts, packaging materials and consumable materials imported into the Export Processing Zone and used for the production of exported goods in the zone	Tariff and VAT
18	Export Duty Refund or Exemption for the exported goods produced in the Export Processing Zone and exported from the zone	Tariff and VAT
19	VAT Refunds or Exemptions for the domestically purchased machinery, equipment and construction materials used for the production of exported goods and the construction of production facilities in the Export Processing Zone	Tariff and VAT
20	Loans and Interest Subsidies Provided Under the Northeast Revitalization Program	Loan
21	Export Seller's Credit for High- and New-Technology Products by China EMIX Bank	Loan

**OFFICIAL: PUBLIC RECORD**

No.	Program name	Type
22	Preferential Loan for the National/Provincial Key Science & Technology Industrialization Projects, High Technology Industrialization Projects, Science & Technology Achievements Commercialization Projects, Modern Equipment Manufacturing Industry and key Information Technology Industrialization Projects by Liaoning Governments	Loan
23	Innovation Fund for Medium and Small Business	Grant
24	Special fund for developing trade through science and technology of Guangdong Province	Grant
25	Special Funds for Foreign Economic and Technical Cooperation	Grant
26	Innovative Experimental Enterprise Grant	Grant
27	Superstar Enterprise Grant	Grant
28	Awards to Enterprises Whose Products Qualify for "Well-Known Trademarks of China" or "Famous Brands of China"	Grant
29	Export Brand Development Fund	Grant
30	Provincial Scientific Development Plan Fund	Grant
31	Technical Renovation Loan Interest Discount Fund	Grant
32	National Innovation Fund for Technology Based Firms	Grant
33	Guangdong - Hong Kong Technology Cooperation Funding Scheme	Grant
34	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant
35	Innovative Small and Medium-Sized Enterprise Grants	Grant
36	Product Quality Grant	Grant
37	2009 Energy-Saving Fund	Grant
38	Grants for Export Activities	Grant
39	Grants for International Certification	Grant
40	Emission Reduction and Energy-Saving Award (Special Funds for Reduction of Pollutant Emission)	Grant
41	Emission Reduction and Energy-Saving Award (Advanced Units within Top 30 Electricity Consumption Enterprises in the Competition of Energy-Saving contest)	Grant
42	Grant for Market Promotion and Trade Development (Shandong)	Grant
43	Grant - Assistance for Exhibition Booth Fees (Shandong)	Grant
44	Grant - Patent Application Assistance	Grant
45	Grant - State Service Industry Development Fund	Grant
46	Cleaning-production Qualified Enterprise Reward (Subsidy of Audit Fees for Key Enterprises Cleaning Production)	Grant
47	Grant - Provisional Industry Promotion Special Fund	Grant
48	Grant - Financial Subsidies from Wei Hai City Gao Cun Town Government	Grant
49	Grant - Water Pollution Control Special Fund for Taihu Lake	Grant
50	Grant - Provincial Foreign Economy and Trade Development Special Fund	Grant
51	Grant - Special Supporting Fund for Commercialization of Technological Innovation and Research Findings	Grant
52	Resources Conservation and Environment Protection Grant (Funds for Pollution Sources Monitoring Facilities in 2011)	Grant

**OFFICIAL: PUBLIC RECORD**

<b>No.</b>	<b>Program name</b>	<b>Type</b>
53	Grant - Wendeng Government (Shandong)	Grant
54	Enterprise Technology Centres	Grant
55	Allowance to Pay Loan Interest	Grant
56	Supporting Fund for Non-Refundable Export Tax Loss	Grant
57	International Market Fund for Export Companies	Grant
58	International Market Fund for Small and Medium-sized Export Companies	Grant
59	Business Development Overseas Support Fund	Grant
60	Refund from Government for Participating in Trade Fair	Grant
61	Grant - Special Fund for Fostering Stable Growth of Foreign Trade	Grant
62	Reimbursement of Anti-dumping and/or Countervailing Legal Expenses by the Local Governments	Grant
63	Financial Special Fund for Supporting High and New Technology Industry Development Project	Grant
64	Subsidy for Promoting Energy-Saving Buildings	Grant
65	Subsidy for the Technology Development	Grant
66	Awards for the Contributions to Local Economy and Industry Development	Grant
67	Beijing Industrial Development Fund	Grant
68	Grants, Loans, and Other Incentives for Development of Famous Brands, China Top World Brands or other well-known Brands	Grant
69	Shunde Famous Brands	Grant
70	Guangdong Supporting Fund	Grant
71	Zhabei District "Save Energy Reduce Emission Team" Award	Grant
72	"Five Points, One Line" Program of Liaoning Province	Grant
73	State Special Fund for Promoting Key Industries and Innovation Technologies	Grant
74	Fund for SME (small and medium size enterprises) Bank-Enterprise Cooperation Projects by Guangdong Governments	Grant
75	Special Fund for Significant Science and Technology by Guangdong Governments	Grant
76	Fund for Economic, Scientific and Technology Development by the Government of Foshan City	Grant
77	Provincial Fund for Fiscal and Technological Innovation by Guangdong Governments	Grant
78	Provincial Loan Discount Special Fund for SMEs by Guangdong Governments	Grant
79	"Large and Excellent" Enterprises Grant	Grant
80	Advanced Science/Technology Enterprise Grant (Advanced Units for Safety Production in Fengxian District)	Grant
81	Award for Excellent Enterprise (First Prize within Top 100 Enterprises in Situan Town for Year 2012)	Grant
82	Foshan City Government Technology Renovation and Technology Innovation Special Fund Grants	Grant
83	Nanhai District Grants to State and Provincial Enterprise Technology Centers and Engineering Technology R&D Centers	Grant



**OFFICIAL: PUBLIC RECORD**

<b>No.</b>	<b>Program name</b>	<b>Type</b>
84	Supporting Fund for the Projects Used to Resolve the Important Technological Issues for Enterprises' Production and R&D by Liaoning Governments	Grant
85	Technology Innovation Fund for Science & Technology Type SMEs by Liaoning Governments	Grant
86	Supporting Fund for the Application Technology Research in the Overseas R&D Institution/Branch by Liaoning Governments	Grant
87	Special Supporting Fund and Special Loan Assistance by Chinese Ministry of Science & Technology for revitalizing the Northeast old industrial base	Grant
88	Special Supporting Fund for Key Projects of "500 Strong Enterprises in Contemporary Industries" by Guangdong Governments	Grant
89	Fund for Supporting Strategic Emerging Industries by Guangdong Governments	Grant
90	Medium Size and Small Size Enterprises Development Special Fund	Grant
91	Medium Size and Small Size Trading Enterprises Development Special Fund	Grant
92	Special Fund for Export Credit Insurance by Guangdong Governments	Grant
93	Supporting Fund for Converting the Industry Technology Achievements/Findings by Beijing Governments	Grant
94	Special Development Fund for Beijing Cultural Innovation Industry	Grant
95	Supporting Fund for Becoming Publicly Listed Company	Grant
96	Supporting Fund for the "Working Capital" Loan Interest	Grant
97	Award for Maintaining the Growth by Beijing Governments	Grant
98	Award by Beijing Technology Trading Encouraging Centre	Grant
99	Award by Shanghai Songjiang Economic Committee	Grant
100	Supporting Fund for the Development from Guangzhou Local Governments	Grant
101	Interest Assistance for Technology Renovation Projects by Liaoning Governments	Grant
102	Interest Assistance for the Application of Information Technology by Liaoning Governments	Grant
103	Loan Guarantee Fund for Science & Technology Enterprises by Liaoning Governments	Grant
104	Fund for Optimizing Import and Export Structure of Mechanical Electronics and High and New Technology Products	Grant
105	Special Fund for Pollution Control of Three Rivers, Three Lakes, and the Songhua River	Grant
106	Repaying Foreign Currency Loan by Refunded VAT	Loan
107	Government Export Subsidy and Product Innovation Subsidy in Shandong Province	Grant
108	Export Assistance Grant	Grant
109	Research & Development (R&D) Assistance Grant	Grant
110	Foreign Trade Promotion Award	Grant
111	Financial Assistance for an Overseas Market Survey	Grant
112	Supporting fund provided to Service Outsourcing Enterprises for the Establishment of their Brands and the Acquisition of their International Qualification Accreditations	Grant
113	Liaoning High-tech Products & Equipment Exports Interest Assistance	Grant

**OFFICIAL: PUBLIC RECORD**

<b>No.</b>	<b>Program name</b>	<b>Type</b>
114	Grant for Developing International Markets for SMEs in Zhejiang	Grant
115	Grant for Developing International Markets and Capital Clearing Fund for SMEs in Zhejiang	Grant
116	Export Credit for Insurance Premium in Zhejiang	Grant
117	Property Tax Reduction of Urban Land Use for Companies Who Provide Employment to People with Disabilities in Zhejiang	Tax
118	Support for the Development of Welfare Enterprises and Promoting the Employment of Persons with Disabilities in Zhuji City.	Grant
119	Subsidy for Certification of Clean and Green Production in Zhejiang (Funds for Cleaning Production Demonstration Enterprises)	Grant
120	Subsidy for Construction Projects in the Developmental and Experimental Zone in Zhuji City	Grant
121	Policy to Promote Industrial Restructuring and Upgrading, and Enhance the Level of Economic Development in Dianko Township (Funds for Fulfill Incentive Policies on Industry for the Year 2011	Grant
122	Policy to Promote Industrial Restructuring and Upgrading, and Enhance the Level of Economic Development in Dianko Township (Incentives of Circular Economy in 2011	Grant
123	Funds for Standardizing Industrial Systems in the Nonferrous Metals Industry	Grant
124	Award for Science and Technology in Shaoxing City	Grant
125	Policy to Accelerate the Development of Modern Logistics Industry in Zhuji City	Grant
126	Grant for Industrial Transformation and Upgrading of Major Science and Technology Projects in Zhuji City	Grant
127	Funds for Science and Technology Award	Grant
128	Award to Science and Technology Enterprises in Zhuji City	Grant
129	Funds for Science and Technology Award of Zhuji City	Grant
130	Funds for Patent Award	Grant
131	Funds for Key Innovation Team	Grant
132	Special Fund for Fair Trade in Import and Export Zhejiang	Grant
133	Subsidies to Full-time Environmental Monitoring Officer	Grant
134	Grant for Research and Development Centers in the Provincial-level High-Tech Enterprises in Zhejiang	Grant
135	Special Financial Fund for Industrial Transformation and Upgrading in Zhejiang (Brand Awards)	Grant
136	Award for Outstanding Industrial Products and New Technologies in Zhejiang	Grant
137	Grant for the Implementation of Quality and Technical Inspection in Zhejiang	Grant
138	Award for Advanced Companies and Individuals in the Recognition of Key Projects and Investment in Tonglin City	Grant
139	Grant to Promote and Accelerate the Economic Development in the Copper Industry in Tonglin City	Grant
140	Financial Incentives to Promote Economic Development in Tonglin City	Grant
141	One-Time Financial Support to Hailiang Copper Co., Ltd.	Grant
142	Special Funds for Use in the Open Economy (Award for Open Economy)	Grant
143	Special Funds for Use in the Open Economy (Reduction/Exemption of Water Conservancy Fund)	Grant

**OFFICIAL: PUBLIC RECORD**

<b>No.</b>	<b>Program name</b>	<b>Type</b>
144	Grant to Promote Economic Innovation and Enhance Development (Award for Refinancing by Rationed Shares)	Grant
145	Grant to Promote Economic Innovation and Enhance Development (Incentives of Industrial Economic Policies in 2011)	Grant
146	Grant to Promote Economic Innovation and Enhance Development (Funds for Award of Innovation Carrier)	Grant
147	Grant to Promote Economic Innovation and Enhance Development (Funds for Award of Talent for the Year 2012)	Grant
148	Funds for Scientific and Technology Project for the Year 2011 in Zhuji City	Grant
149	Grant for Scientific and Technological Projects Which Passed Appraisal and Certification in Zhuji City (Funds for City-Grade Project in 2012)	Grant
150	Grant for Scientific and Technological Projects Which Passed Appraisal and Certification in Zhuji City (Funds for Award of Scientific & Technological Achievements through Identification/Review and Project of National Torch, Spark, Key New Product Program)	Grant
151	Support for the Development of Welfare Enterprises to Promote the Employment of Persons with Disabilities in Zhuji City	Grant
152	Preferential Tax Policies for Advanced Technology Enterprises with Foreign Investment	Tax
153	Reduced Tax Rate for Productive FIEs Scheduled to Operate for a Period Not Less Than 10 Years	Tax
154	Tax Preference Available to Companies that Operate at a Small Profit	Tax
155	Preferential Tax Policies for Foreign Invested Export Enterprises	Tax
156	Preferential Tax Policies for the Research and Development of FIEs (Tax offsets for Research and Development)	Tax
157	Preferential Tax Policies for FIEs and Foreign Enterprises Which Have Establishments or Places in China and are Engaged in Production or Business Operations Purchasing Domestically Produced Equipment	Tax
158	Preferential Tax Policies for Domestic Enterprises Purchasing Domestically Produced Equipment for Technology Upgrading Purpose	Tax
159	Income Tax Refund for Re-investment of FIE Profits by Foreign Investors	Tax
160	VAT and Income Tax Exemption/Reduction for Enterprises Adopting Debt-to-Equity Swaps	Tax
161	Corporate Income Tax Reduction for New High-Technology Enterprises	Tax
162	Income Tax Credits on Purchases of Domestically Produced Equipment	Tax
163	Preferential Tax Programs for Encouraged Industries or Projects	Tax
164	Exemption from City Maintenance and Construction Taxes and Education Fee Surcharges for FIEs	Tax
165	Tax Offset for R&D Expenses in Guangdong Province	Tax
166	Accelerated Depreciation on Fixed Assets	Tax
167	Preferential Tax Treatment for the Technology Development Expenses by Liaoning Governments	Tax
168	Accelerated Depreciation on Intangible Assets for Industrial Enterprises in Northeast Region	Tax
169	Exemption of Tariff and Import VAT for the Imported Technologies and Equipment.	Tariff and VAT
170	Relief from Duties and Taxes on Imported Material and Other Manufacturing Inputs	Tariff and VAT
171	Reduction, Exemption or Refund of Land Use Fees, Land Rental Rates and Land Purchase/Transfer Prices	Tax
172	Deed Tax Exemptions for Land Transferred through Merger or Restructuring	Tax

No.	Program name	Type
173	Raw Materials Provided by the Government at Less than Fair Market Value	Provision of goods
174	Utilities Provided by the Government at Less than Fair Market Value	Provision of goods
175	Debt to Equity Swaps	Equity
176	Exemptions for SOEs from Distributing Dividends to the State	Equity
177	Tax offsets for the investment in the acquisition of special facilities for environmental protection, energy and water conservation and work safety etc.	Tax
178	Preferential Loans From State-Owned Banks	Loan

Program Table

## I-1 General

- Complete the worksheet named “**I-1 Company turnover**”
  - This worksheet is a table of the total company revenue over the period and split into:
    - Total revenue for Australian sales, domestic sales and third country sales
    - Revenue of the goods for Australian sales, domestic sales and third country sales
  - You must provide this table in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Refer Confidential Attachment 1.

## I-2 Provision of goods at less than adequate remuneration

Naile Copper procures goods based on commercial supply protocols as previously defined and under these processes has not purchased or received goods at less than adequate remuneration.

- What are the major raw materials used in the manufacture of the goods?

Copper Cathode.

- Complete the worksheet named “**I-2 Raw Material Purchases**” for your purchases of
  - Copper cathode and/or
  - Scrap Copper

Not Applicable refer Confidential attachment 1 G-7.4

- For all suppliers and manufacturers of raw materials listed in “I-2 Raw Material Purchases” or “G-7.2 Raw material CTM”, provide an explanation and any evidence to support your categorisation of whether the company is a State Invested Enterprise (SIE)

All cathode purchased for the goods was determined by the London Metal Exchange and its approved suppliers as part of this process. We cannot determine if the sources as defined in this process are SIE for China or any other country.

**OFFICIAL: PUBLIC RECORD**

4. Provide copies of all contractual agreements that detail the obligations of the State Invested Enterprise (SIE) and your business with reference to the granting and receipt of any assistance/benefits.

Naile Copper has no contractual agreements with any SIE's with reference to the granting and receipt of any assistance/benefit.

5. If your business purchased imported raw materials, 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.

Imported Cathode is for use in production of exported products Only.  
LME costings and supply are part of the sales terms and pricing issued for the goods and hence can only be sourced and priced based on this process.  
Local Procured Cathode is for Local Production supply in line with Tax requirements and sales contracts.

6. Did your business or any company/entity related to your business receive any benefit under the following programs during the investigation period plus the two preceding years?

Programs: 12, 173 and 174. (Refer Section I – Countervailing, for full names of programs).

Naile did not receive any benefit under these programs.  
Naile has only received as defined in Confidential Attachment 1.

7. Does your business purchase any goods/services from SOEs/SIEs, e.g., raw materials, energy (electricity, gas etc.), water, other utilities, etc?  
Complete the worksheet named “**I-2a Electricity Purchases**”.

Refer Confidential Attachment 1.

We purchase Electricity from commercial suppliers available to supply said services. We purchase at the negotiated commercial rates and terms provided by these suppliers.

8. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation 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.

Naile sources all services provided based on commercially negotiated terms from available suppliers. Naile did not receive any reduction or reduced prices as defined during the investigation period.

### I-3 Preferential tax policies

1. Complete the worksheet named "I-3 Income Tax"
  - This worksheet is a table of your company's income tax liability over the last three financial years.
  - You must provide this table in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Refer Confidential Attachment 1.

2. Did your business or any company/entity related to your business receive any benefit under the following income tax programs during the investigation period plus the two preceding years?

Programs 1, 2, 3, 4, 5, 6, 7,9, 10, 11, 14, 117, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163 164, 165, 166, 167, 168, 171, 172 and 177. (Refer Section I – Countervailing, for full names of programs).

Naile did not receive any benefit under the following income tax programs during the investigation period plus the two preceding years.

3. Provide a copy of your company's annual tax return for the last three financial years. If the documents are not in English, please provide a translation of the documents.

Refer Confidential Attachment 4.

4. Provide proof of your company's tax payments to your tax authority over the last three financial years, including any progress payments made and related forms submitted to reconcile the annual tax return.

Refer Confidential Attachment 4.

5. What is the general tax rate for enterprises (also referred to as the company or corporate tax rate) during the previous two financial years?

25%

6. Did your company pay less than the general tax rate for enterprises referred to in question I-3.5? If yes:

Naile Paid the General Tax Rate.

- a. What tax rate did your company pay?
- b. Was the reduction in the tax paid or payable related to any of the preferential income tax programs in the table at the top of Section I Countervailing above?
- c. What is the name of the program?
- d. What is the name of the authority granting your company the reduced tax rate?
- e. What is the eligibility criteria to benefit from the reduced tax rate?
- f. Provide details of the application process
- g. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
- h. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.
- i. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.
- j. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program

## I-4 Financial grants

1. Complete the worksheet named "I-4 Grants"
  - This worksheet is a table of the grants received by company over the period plus the two preceding years.
  - You must provide this table in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Refer Confidential Attachment 1.

2. Provide a copy of your company's non-operating income and/or other business income ledgers, extracted directly from your accounting system, for the period covering the period plus the 2 preceding years.

Refer Confidential Attachment 4.

3. Did your company receive any grants (or any other financial contribution) from any level of government during the period plus the two preceding years?

If yes:

- a. Were any of the grants related to any program listed in the table at the top of Section I above? If yes, identify the program.

We cannot identify any cross reference.

- b. Were any of the grants related to programs not listed in the table at the top of Section I above? If yes, provide the names of the programs.

Refer Confidential Attachment 1.

4. For each of the grants listed in I-4.3:

- a. What is the name of the grant?

Refer Confidential Attachment 1.

- b. What is the name of the authority providing the grant?

Refer Confidential Attachment 1.

- c. What is the eligibility criteria to receive the grant?

Naile is only aware of the grant eligibility by Government reporting and information gathered for assessment criteria.

- d. Is the grant directly related to the goods under consideration, export sales to Australia and/or export sales generally?

No. Refer Confidential Attachment 1.

- e. Provide details of the application process.

The Application process that we are aware of is based on information provided and/or received by the relevant issuing authority.

- f. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.

Naile is not aware of any such application document.

- g. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.

Not Applicable. We did not apply.

- h. Provide a copy of any confirmation or other correspondence from the authority approving the grant. If the documents are not in English, please provide a translation of the documents.

The Payment of the grant is the confirmation.

- i. Provide proof of payment of your company receiving the grant (e.g. bank statements).

Refer Confidential Attachment 4

- j. Provide a copy of the accounting journal entries relating to the grant.

Refer Confidential Attachment 4

- k. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the grant.

There is No Cost.

## I-5 Preferential loans and interest rates

1. Complete the worksheet named "I-5 Loans".
  - In this worksheet, please provide details in the table for each loan obtained on preferential terms. You must provide this information in an electronic format using the template provided in the worksheet.
  - Did your business or any company/entity related to your business receive any benefit under the following programs during the investigation period plus the two preceding years?

Programs: 20, 21, 22, 31, 55, 68, 78, 87, 96, 103, 106, and 178.

2. Indicate whether each bank is Chinese or foreign-owned and give the percentage of government ownership of each bank (including ownership by entities owned or controlled by a government).
3. In the case of each loan from government-owned or controlled, please explain the reason for borrowing from such a bank rather than a commercial bank. What are the differences in the terms and conditions of loans between the government and commercial banks?
4. For each of the loans listed, provide copies of signed loan agreements between the bank which provided the loan and company which was the addressee of the loan specifying the conditions of the loan such as amount, term of repayment, interest rate etc. Also provide a copy of your application for the loan.
5. Please explain whether the granting of the specific loan depended on the link between the purpose of the loan and the goals specified in any government plan or development program. Provide a copy of the laws, regulations, administrative guidelines and any other acts relevant for the operation of this lending with any subsequent amendments. Also include a copy of any governmental or development plan of which the scheme represents a direct implementation.

Naile did not receive any preferential loans. All Loans are defined in Section H-5 and are commercial loans negotiated with commercial banks.



## I-6 Tariff and VAT exemptions on imported materials and equipment

1. Complete the worksheet named "I-6 Tariff and VAT".

It is the Commission's understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery, for example: Programs 8, 15, 16, 17, 18, 19, 169, 170.

If your business or any company/entity related to your business received benefits under any such program during the investigation period plus the two preceding years, please answer the following questions.

1. Provide complete details involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments.
2. Describe the application and approval procedures for obtaining a benefit under the program.
3. 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 Government of China in relation to the program.
4. Outline the fees charged to or expenses incurred by your business in receiving the program.
5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
6. State whether your eligibility for the program was conditional on one or more of the following criteria:
  - (a) whether or not your business exports internationally, 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.
7. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
8. 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.
9. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements.
10. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation 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.
11. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs at any time that were used in the production of the goods during the investigation 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 (e.g. FOB, CIF);
  - (f) ocean freight;
  - (g) value for duty of imported product;
  - (h) regular rate of taxes and duties;

**OFFICIAL: PUBLIC RECORD**

- (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.

12. Explain if (and how) the Government of China 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).
13. Explain how the Government of China 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.
14. 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.
  15. 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 Government of China 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.
  16. Provide copies of reports and audits by the Government of China 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.
  17. To your knowledge, does the program still operate or has it been terminated?

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.

Naile did not receive any Tariff and VAT exemptions on imported materials and equipment as defined in this section.

## I-7 Debt-to-equity swaps

1. Complete the worksheet named “I-7 Debt-to-equity”
2. Did your business or any company/entity related to your business receive any benefit under the following programs during the investigation period plus the two preceding years?  
  
Programs: 160 and 175.
3. Describe in detail each transaction with all the steps leading to the debt cancellation in exchange for equity, including the role of all of the government and non-government entities involved in each transaction.
4. On a loan by loan basis, provide the following:
  - a. the amount of the outstanding loans due by your company directly or indirectly to the GOC or to State-owned Commercial Banks (SOCBs) cancelled and swapped for equity
  - b. the terms of the loans and the interest due on the loan
  - c. the duration and maturity of the loan
  - d. the amount of late interest payments or other arrearages on the loan
  - e. the amount of the interest saved
  - f. the amount of equity received in exchange by the GOC directly or through controlled corporations such as Asset Management Companies (AMCs)
  - g. the number of shares issued
  - h. a description of the shares (e.g. common shares, preferred shares)
  - i. the nominal value of the shares
  - j. the company's debt-to-equity ratio before and after the swap
  - k. the dates of the transactions

Also provide the following information for each “swapped” debt:

5. How did your company determine the amount of equity to be issued and the per share price to be paid?
6. Explain how the transaction was reflected in the financial statements and provide underlying evidence.
7. The source of funds to finance these transactions, including the percentage of public vs. private sources.
8. How the proceeds from the debt-for-equity swap were used by your company.
9. Provide the relevant original loan contracts between your company and the GOC or SOCBs and any contracts, legal documents, and other relevant correspondence containing details on the debt for equity transaction.
10. Provide documentation relevant to the decision concerning each debt for equity transaction, including in particular all the documents detailing the rationale for the transaction and the underlying financial details, e.g. the relevant rate of return sought by the lender and/or shareholders, the projections of sales and earnings relating to the company operations prior to the debt for equity conversion, etc.
11. Provide internal company documents relating to the debt-for-equity transactions, such as Board of Directors' approval decisions and minutes, Board of Supervisors' approval decisions and minutes, Shareholders' meetings approval decisions and minutes etc.
12. Provide documentation relevant to the decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.
13. Explain in detail how was the amount of equity to be issued in exchange for debt determined and the per share price to be paid. If the shares involved in the swap were publicly traded, please provide the relevant prices at the moment of the transaction.
14. Explain the expected commercial rate of return on equity sought by the government and its calculation and provide any study and analysis carried out by independent parties on this issue.
15. Provide a list of all equity investments made by private (i.e. non-government) entities contemporaneous with the government's investment or debt-to-equity swap, if any. Please provide the dates, the numbers of shares, the amount paid per share for each purchase, and a description of the rights and preferences of the equity interests received by these private entities and how these differ from the rights and preferences of the equity interests received or held by the government.

16. Provide a list of any attempt made by your company to obtain private equity investment and/or agreements involving private equity investments which were then not finalised for whatever reasons. Describe the circumstances of these attempts and/or agreements, and the reasons they were not achieved.
17. Please provide complete, translated audited financial statements for the year of each government equity investment for each of the government entities involved in the transactions, including SOCBs and AMCs. The financial statements should include the complete set of statements, e.g., income statement, balance sheet, statement of change in equity footnotes, and must be accompanied by the auditors' opinion.
18. Please calculate the following financial ratios for your company for each year in which an equity investment was received and for the preceding three years: current ratio, quick ratio, gross profit, operating profits, net profits, return on equity, debt-to-equity, debt-to-assets, interest/debt coverage, and cash flow to debt.

Naile did not have any Debt-to-equity swaps as defined in this section.

## I-8 Unpaid dividends

1. Complete the worksheet named "I-8 Unpaid dividends".

The Commission understands that according to GOC policy, state-owned enterprises including the companies producing/exporting the goods under consideration do not have to pay dividends to the government as their owner, even when they earn profits.

1. Did your business or any company/entity related to your business receive any benefit under the following programs during the investigation period?

Program 176.

Please provide the following information:

2. The relevant provisions on distribution of dividends contained in the legislation, in administrative documents, and in any other official documents.
3. The practice and policy on dividend distributions contained in your company documents, including the by-laws, resolutions of the shareholders or the board of directors, minutes of the meeting, shareholders' agreements etc.
4. A list of all dividend distributions to Government entities effected by your company during the investigation period and for the years 2016, 2017, 2018, 2019 and 2020, detailing:
  - a) the description of the dividend transactions
  - b) the date of the dividend transactions
  - c) a description of the various categories of shares involved (e.g. common shares, preference shares, special classes of shares etc.)
  - d) the specific rights attached to the shares
  - e) the amount distributed as dividends per each category of share
  - f) the per-share dividend paid out for each category of share
  - g) the number and class of shares held by the government
  - h) the percentage of profits distributed per each class of share to the GOC
  - i) any taxes paid or payable on these dividend distributions.
5. Provide a copy of the relevant resolutions adopted by the shareholders' meeting or the board of directors deliberating the relevant dividend distribution.
6. A list of any dividend distributions effected by your company to private shareholders during the investigation period and for the years 2016, 2017, 2018, 2019 and 2020, detailing:
  - a) the amounts distributed as dividends
  - b) the number of shares held by private investors
  - c) a description of the shares and of their attached rights (e.g. common shares, preferred shares) giving rise to the dividend distributions
  - d) the percentage of profits distributed per each class of share to the private investors, and
  - e) the dividend per share distributed per each class of share.

7. What was the amount of retained earnings since the year 2012 available for distribution to shareholders of the different classes of shares?
8. A list of investments in fixed assets affected since the year 2012 financed out of retained earnings or other profits otherwise available for distribution to shareholders in previous years used to finance these investments.
9. All internal company documents relevant to your decision as to the source of funds to finance your operations, e.g., debt vs. equity financing and private vs. government sources.
10. A detailed description of the accounting treatment and the company policy concerning dividend distributions, retained earnings, and use of the proceeds otherwise available for dividend distribution. Please attach relevant underlying financial statements and records and other relevant evidence.

Naile did not have any Unpaid dividends as defined in this section.

### I-9 Other Programs

1. Provide a list of all the provinces in which you have business operations (including locations of factories, sales offices, or other places of business).

Zhejiang Naile Copper Co is based in Zhejiang.

2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits manufacturers of the goods that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)

Naile is not aware of any other program other than those defined in previous Sections.

3. Indicate the location of the program by region, province or municipal level.

Not applicable

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

For **each program** that you have identified, answer the following.

Not Applicable

5. Indicate whether your company benefited from any of the listed programs during the period.

Not Applicable

6. 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).

Not Applicable

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

Not Applicable

**OFFICIAL: PUBLIC RECORD**

8. 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 Government of China in relation to the program.

Not Applicable

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

Not Applicable

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

Not Applicable

11. 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.

Not Applicable

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

Not Applicable

13. 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.

Not Applicable

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

Not Applicable

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

Not Applicable

16. If the program has been terminated, please provide details (including when and 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 I-5 in relation to this programme.

Not Applicable

## SECTION J CHINESE MARKET FOR COPPER TUBE

### J-1 Prevailing conditions of competition in the Chinese market

1. Describe the Chinese market for the goods and the prevailing conditions of competition within the market, including:

- (a) Provide an overall description of the market in China which explains its main characteristics and trends over the past five years;

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- (b) Provide the sources of demand for the goods in China, including the categories of customers, users or consumers of the product;

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b);

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- (d) Describe the factors that influence consumption/demand variability in China, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- (e) Describe any market segmentations in China; such as geographic or product segmentations;

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e);

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- (g) Describe the way in which Chinese and imported goods compete in the Chinese market;

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- (h) Describe the ways that the goods are marketed and distributed in the Chinese market; and

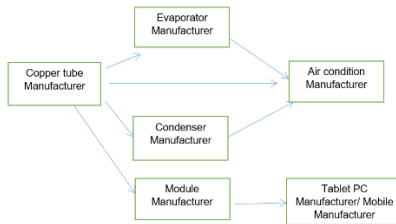
[CONFIDENTIAL TEXT DELETED] Naile Assessment

- (i) Describe any other factors that are relevant to characteristics or influences on the Chinese market for the goods.

[CONFIDENTIAL TEXT DELETED] Naile Assessment

*Provide documentary evidence to support the responses made to questions 1(a) to (i).*

2. Provide a diagram which describes the Chinese market structure for the goods, ensuring that all categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the Chinese market.



3. Describe the commercially significant market participants in the Chinese market for the goods at each level of trade over the investigation period. Include in your description:

- names of the participants;

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.);

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- a description of the degree of integration (either vertical or horizontal) for each market participant; and

[CONFIDENTIAL TEXT DELETED] Naile Assessment

- an estimation of the market share of each participant.

[CONFIDENTIAL TEXT DELETED] Naile Assessment

4. Identify the names of commercially significant importers in the Chinese market for the goods over the investigation period and estimate their market share. Specify the country each importer imports from and their level of trade in the Chinese market, if known.

As Naile knows there is no importers in the Chinese market for the copper tube.

5. Describe the regulatory framework of the Chinese market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.

There is no regulatory framework of the Chinese market for the copper tube.

6. Describe any entry restrictions for new participants into the Chinese market for the goods. Your response could include information on:

- resource ownership;
- patents and copyrights;
- licenses;
- barriers to entry;
- import restrictions; and
- government regulations (including the effect of those government regulations).

There are no any entry restrictions for new participants into the Chinese market for the copper tube.

*In responding to question 6 ensure that relevant regulations are referenced*



## J-2 Goods in the Chinese market

1. Generally, describe the range of goods offered for sale in the Chinese market. The description should include all like goods, including those produced by your company. Your description could include information about:
  - quality differences;
  - price differences;
  - supply/availability differences;
  - technical support differences;
  - the prevalence of private labels/customer brands;
  - the prevalence of generic or plain labels;
  - the prevalence of premium labels; and
  - product segmentation.

Inner grooved copper tube  
Level wounded coil (LWC)  
Pancake coil  
Straight copper tube  
Capillary copper tube  
Copper tube used for tablet PC and Mobile

2. Describe the end uses of the goods in the Chinese market from all sources.

Use for air condition and refrigeration and evaporator and condenser manufacturer and tablet, PC and Mobile.

3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Chinese market. Rank these preferences or purchasing influencers in order of importance.

Price  
Quality  
Service

4. Identify if there are any commercially significant market substitutes in the Chinese market for the goods.

There are no commercially significant market substitutes in the Chinese market for the goods.

5. Identify if there are any commercially significant market complements in the Chinese market for the goods.

There are no commercially significant market complements in the Chinese market for the goods.

6. Have there been any changes in market or consumer preferences in the Chinese market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

There have not been any changes in the market or consumer preferences in the Chinese market for the goods in the last 5 years.

### J-3 Relationship between price and cost

1. Describe the importance of the Chinese market to your company's operations. In your response describe:

(a) The proportion of your company's sales revenue derived from sales of the goods in China; and

[CONFIDENTIAL TEXT DELETED] %

(b) The proportion of your company's profit derived from sales of the goods in China.

[CONFIDENTIAL TEXT DELETED] %

Refer Sales Data Contained in Confidential Attachment 1.

*In responding to question 1 please provide evidence supporting calculations.*

2. Is your organisation/business entity the price leader for the goods in the Chinese market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

[CONFIDENTIAL TEXT DELETED] Naile Assessment

3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in China. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

[CONFIDENTIAL TEXT DELETED] Pricing Policy.

4. Explain the process for how the selling prices of the goods for the Chinese market by your business are determined. Provide copies of internal documents which support how pricing is determined.

[CONFIDENTIAL TEXT DELETED] Pricing Policy.

5. How frequently are your Chinese selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.

[CONFIDENTIAL TEXT DELETED] Pricing Policy, Management Detail.

6. Rank the following factors in terms of their influence on your pricing decisions in the Chinese market, with the most important factor ranked first and the least important factor ranked last:

- Cost to make and sell the goods
- Desired profit
- Value of the order
- Brand attributes
- Competitors' prices
- Volume of the order
- Value of forward orders
- Volume of forward orders
- Customer relationship management
- Purchase price of raw materials
- Level of inventory
- Supplier relationship management

7. Describe the relationship between selling price and costs to make and sell in the Chinese market. Does your company maintain a desired profit margin for the goods?

[CONFIDENTIAL TEXT DELETED] Pricing Policy.

8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances or credit notes) in the Chinese market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.

We didn't offer price reductions in the Chinese market.

9. Do you offer bundled pricing in the Chinese market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.

We didn't offer bundled pricing in the Chinese Market.

10. Does the volume of sales to a customer or the size of an order influence your selling price in China? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED] Pricing Policy.

11. Does your organisation/business entity use sales contracts in the Chinese market? If yes:  
(a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?

[CONFIDENTIAL TEXT DELETED] Sales Data

- (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?

We didn't offer exclusivity contracts in the Chinese market.

- (c) How frequently are sales contracts renegotiated?

[CONFIDENTIAL TEXT DELETED] Sales Contracts

- (d) How frequently are price reviews conducted between contracts?

[CONFIDENTIAL TEXT DELETED] Sales Contracts

- (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.

[CONFIDENTIAL TEXT DELETED] Sales Contracts

- (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?

[CONFIDENTIAL TEXT DELETED] Sales Contracts

- (g) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue. Provide a complete translation of the documents.

[CONFIDENTIAL TEXT DELETED] Sales Contracts

Refer Confidential Attachment 8.

12. Provide copies of any price lists for the goods used in the Chinese market during the investigation period. If you do not use price lists, describe the transparency of your prices in the Chinese market.

We do not use price lists.

[CONFIDENTIAL TEXT DELETED] Pricing Policy

13. How do you differentiate pricing for different products/models of the goods in the Chinese market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products. Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED] Pricing Policy

14. Do you tier or segment your Chinese customers for the goods in terms of pricing? If yes, provide:
- (a) a general description of how this is done;
  - (b) list the factors that influence pricing differentiation in different tiers or segments; and
  - (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

[CONFIDENTIAL TEXT DELETED] Pricing Policy

*Provide copies of internal documents which support your claims in response to this question.*

15. Do you sell the goods to related entities in China? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide a copy of any internal document relevant to establishing pricing to related parties.

Naile did not sell the goods to related entities in China.

## **J-4 Marketing and sales support in the Chinese market**

1. How does your company market the goods in the Chinese market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).

[CONFIDENTIAL TEXT DELETED] Naile assessment

2. Does your company conduct brand segmentation in the Chinese market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

Naile only use our "Naile" brand.

**OFFICIAL: PUBLIC RECORD**

3. Provide examples of your Chinese advertising of the goods over the past five years. If you have not used advertising in China, provide examples of any other promotion campaigns for the goods you have conducted over the investigation period.

[CONFIDENTIAL TEXT DELETED] Naile assessment

4. How many people are in your Chinese market sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED] Naile management Detail.

5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED] Naile Pricing Policy.

## SECTION K PRODUCTION AND PRODUCTION COSTS

### K-1 Production of the goods

1. Describe how your company determines its volume of production for the goods, product mix of production and the factors that contribute to these decisions. How frequently are production volumes determined for the goods? How frequently is the product mix determined for the goods? Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED] Production Process

2. What lead times are typically needed to adjust volumes of production for the goods? Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED] Production Process

3. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes:

- (a) What is the volume capacity of these facilities?

The volume capacity of our warehouse is [CONFIDENTIAL TEXT DELETED] m2

- (b) What was the monthly amount of inventory maintained during the investigation period?

[CONFIDENTIAL TEXT DELETED] Stock Holding in Tons

- (c) What is the average period of time that inventory is retained (describe how this is calculated)?

[CONFIDENTIAL TEXT DELETED] Stock Turn

*Provide copies of internal documents which support your claims in response to this question.*

4. Have there been any changes to the type of capital or technology utilised by your company in the manufacturing of the goods in the last five years? If yes, provide details.

[CONFIDENTIAL TEXT DELETED] Confidential Capital and Technology.

5. For each plant capable of producing inputs that could be utilised to make the goods, provide the date that production facility came into operation and the production capacity of the plant over the past five years. The production capacity should be based on an actual production capacity, not a budgeted production capacity. Provide copies of internal documents which support your claims in response to this question.

Naile production facility came into operation at Dec 2005.

Production capacity is over [CONFIDENTIAL TEXT DELETED] Tons the past five years.

6. List any significant investments in the past five years to either upgrade, refurbish or build any of the plants used in the production of the goods.

[CONFIDENTIAL TEXT DELETED] confidential company Information.

*Provide copies of internal documents which support your claims in response to this question.*

7. Confirm whether management reports are prepared on production costs. If yes:
  - (a) specify how often these cost reports are prepared;
  - (b) describe the level of detail in those reports and whether they enable the establishment of costs of producing the goods; and
  - (c) specify to whom within the company these reports are provided; and
  - (d) provide copies of these reports for each month of the investigation period.

[CONFIDENTIAL TEXT DELETED] confidential company Information

## SECTION L AUSTRALIAN MARKET FOR COPPER TUBE

### L-1 Prevailing conditions of competition in the Australian market

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:
  - (a) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years;
  - (b) Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product;
  - (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b);
  - (d) Describe the factors that influence consumption/demand variability in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
  - (e) Describe any market segmentations in Australia; such as geographic or product segmentations;
  - (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e);
  - (g) Describe the way in which Australian manufactured, Chinese and other imported goods compete in the Australian market;
  - (h) Describe the ways that the goods are marketed and distributed in the Australian market; and
  - (i) Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia.

Not Applicable

Naile do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

*Provide documentary evidence to support the responses made to questions 1(a) to (i).*

2. Provide a diagram which describes the Australian market structure for the goods, ensuring that all the categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the Australian market.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

3. Describe the commercially significant market participants in the Australian market for the goods at each level of trade over the investigation period. Include in your description:
  - names of the participants;
  - the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.);
  - a description of the degree of integration (either vertical or horizontal) for each market participant; and
  - an estimation of the market share of each participant.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.



4. Identify the names of commercially significant importers in the Australian market for the goods over the investigation period and estimate their market share. Specify the country each importer imports from and their level of trade in the Australian market, if known.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

5. Describe the regulatory framework of the Australian market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

6. Describe any entry restrictions for new participants into the Australian market for the goods. Your response could include information on:

- resource ownership;
- patents and copyrights;
- licenses;
- barriers to entry;
- import restrictions; and
- government regulations (including the effect of those government regulations).

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

*In responding to question 6 ensure that relevant regulations are referenced.*

## L-2 Goods in the Australian market

1. Generally describe the range of the goods offered for sale in the Australian market. The description should include all goods under consideration including those produced by your company. Your description could include information about:

- quality differences;
- price differences;
- supply/availability differences;
- technical support differences;
- the prevalence of private labels/customer brands;
- the prevalence of generic or plain labels;
- the prevalence of premium labels; and
- product segmentation.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

2. Describe the end uses of the goods in the Australian market from all sources.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Australian market. Rank these preferences or purchasing influencers in order of importance.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

4. Identify if there are any commercially significant market substitutes in the Australian market for the goods.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

5. Identify if there are any commercially significant market complements in the Australian market for the goods.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

6. Have there been any changes in market or consumer preferences in the Australian market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

### **L-3 Relationship between price and cost in Australia**

1. Describe the importance of the Australian market to your company's operations. In your response describe:
  - (a) The proportion of your company's sales revenue derived from sales of the goods in Australia; and
  - (b) The proportion of your company's profit derived from sales of the goods in Australia.

*In responding to question 1 please provide evidence supporting calculations.*

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

2. Is your organisation/business entity the price leader for the goods in the Australian market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

Not Applicable. We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in Australia. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

Not Applicable. We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

**OFFICIAL: PUBLIC RECORD**

4. Explain the process for how the selling prices of the goods for the Australian market by your business are determined. Provide copies of internal documents which support how pricing is determined.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

5. How frequently are your Australian selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.

In Regards to our exclusive Australian Customer: -

[CONFIDENTIAL TEXT DELETED] Commercial arrangements with our Exclusive Customer.

6. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:

- Competitors' prices
- Purchase price of raw materials
- Cost to make and sell the goods
- Level of inventory
- Value of the order
- Volume of the order
- Value of forward orders
- Volume of forward orders
- Customer relationship management
- Supplier relationship management
- Desired profit
- Brand attributes
- Other [please define what this factor is in your response]

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

7. Describe the relationship between selling price and costs to make and sell in the Australian market. Does your company maintain a desired profit margin for the goods? If not, does your company seek to maintain a desired profit margin for the goods? Provide copies of internal documents which support your response to this question.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances or credit notes) in the Australian market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

9. Do you offer bundled pricing in the Australian market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

10. Does the volume of sales to a customer or the size of an order influence the selling price? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

11. Does your organisation/business entity use sales contracts in the Australian market? If yes:
- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
  - (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
  - (c) How frequently are sales contracts renegotiated?
  - (d) How frequently are price reviews conducted between contracts?
  - (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.
  - (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?
  - (g) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

12. Provide copies of any price lists for the goods used in the Australian market during the investigation period. If you do not use price lists, describe the transparency of your prices in the Australian market.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

13. How do you differentiate pricing for different products/models of the goods in the Australian market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products. Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

14. Do you tier or segment your Australian customers for the goods in terms of pricing? If yes, provide:
- a general description of how this is done;
  - list the factors that influence pricing differentiation in different tiers or segments; and
  - explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

*Provide copies of internal documents which support your claims in response to this question.*

15. Do you sell the goods to related entities in Australia? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide copies of any internal documents relevant to establishing pricing to related parties.

We sell to 1 Exclusive customer in Australia.

#### **L-4 Marketing and sales support in the Australian market**

1. How does your company market the goods in the Australian market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

2. Does your company conduct brand segmentation in the Australian market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

3. Provide examples of your Australian advertising of the goods over the past five years. If you have not used advertising in Australia, provide examples of any other promotion campaigns you have conducted over the investigation period.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

4. How many people are in your Australian sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

Not Applicable

We do not conduct any market analysis of the Australian Market due to our long-term business dealings with our exclusive customer.

## EXPORTER'S DECLARATION

I hereby declare that NAILE COPPER Co. Ltd.  
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** : He Chenhui

**Signature** : .....

**Position in**

**Company** : Sales Director.

**Date** : 2<sup>nd</sup> November 2020.

## 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 on 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 prices paid for like goods sold 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, i.e. 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 e.g. power, supplies, indirect labour and fixed costs e.g. 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.

### 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 customer's 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)

### **The period**

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

### **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 or that, although not alike in all respects have characteristics closely resembling those of the goods. 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 on all costs to make and sell the goods, and an amount for profit. 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.

**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.