



Australian Government  
Department of Industry, Science,  
Energy and Resources

Anti-Dumping Commission

## Exporter Questionnaire

**Case number: 580**

**Product: Certain Copper Tube**

**From: The Socialist Republic of Vietnam**

**Investigation period: 1 January 2020 to 31 December 2020** (the period)

**Response due by: 28 April 2021**

**Email enquiries to:** [investigations4@adcommission.gov.au](mailto:investigations4@adcommission.gov.au)

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

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

## 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	✓
错误!未找到引用源。	✓
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	✓
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	✓
G-10 Capacity Utilisation	✓

## EXPORTER'S DECLARATION

I hereby declare that **HAILIANG (VIETNAM) COPPER MANUFACTURING 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:** Zhao Liang

**Signature:** ..... 

**Position in Company:** General Manager

**Date:** 25 May 2021

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: [Mr. Li Zhuzheng](#)

Position in the company: [Director](#)

Telephone:

E-mail address:

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

Name:

Address:

Telephone:

E-mail address:

Name:

Address:

Telephone:

E-mail address:

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

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

#### RESPONSE:

The address of Hailiang (Vietnam) Copper Manufacturing Company Limited ("**Hailiang Vietnam**") is at Lot 67, 68, 69a, 73, 75, 76a Long Giang Industrial Park, Tan Lap 1 Village, Tan Phuoc District, Tien Giang Province, Vietnam. Our company's financial records, production records and production plant manufacturing the goods under consideration are all at this location.

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

#### RESPONSE:

Please refer to the response to the question A-1.3.

5. Please provide the location of your company's production plant manufacturing the goods under consideration.

#### RESPONSE:

Please refer to the response to the question A-1.3.

### A-2 Company information

1. What is the legal name of your business?

#### RESPONSE:

Hailiang (Vietnam) Copper Manufacturing Company Limited ("**Hailiang Vietnam**"). On the commercial invoice, the company name may be abbreviated to "Hailiang (Vietnam) Copper Manufacturing Co., Ltd.".

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

#### RESPONSE:

Hailiang Vietnam does not trade under a different name or brand.

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

RESPONSE:

Hailiang Vietnam are not known by a different legal and/or trading name.

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

RESPONSE:

The composition of current board of directors of Hailiang Vietnam is as follows:

Title	Name
Chairman of Board of Directors	
Director	
Director	
General Manager	

There is no change in the last two 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
  - (b) A list of all related companies and its functions

RESPONSE:

Hailiang Vietnam is 100% owned by Zhejiang Hailiang Co., Ltd. ("Zhejiang Hailiang"). At Attachment A-1.5(a), we provide an Affiliation Chart showing Hailiang Vietnam's sole parent company (i.e. Zhejiang Hailiang), ownership structure of the parent company, and main related companies that are involved in sales of the goods under investigation. For a detailed list of related companies and their functions, please refer to Attachment A-1.5(b).

6. Is your company or parent company publically listed?

If yes, please provide:

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

If no, please provide:

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

RESPONSE:

Hailiang Vietnam is not publically listed, but its parent company Zhejiang Hailiang is listed on Shenzhen Stock Exchange.

At the end of POI, main shareholders of Zhejiang Hailiang are:

Shareholder	Holding ratio
Hailiang Group Co., Ltd.	40.01%
Z & P Enterprises LLC	10.92%
Zhejiang Hailiang Charity Foundation	5.14%
Other Minor Shareholders	43.94%

<sup>1</sup> Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

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

RESPONSE:

Hailiang Vietnam is mainly engaged in the research & development, manufacturing and sales of [REDACTED]. Hailiang Vietnam mainly sells to [REDACTED].

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

RESPONSE:

Hailiang Vietnam is the producer and domestic seller of the goods.

When exporting to foreign markets, Hailiang Vietnam exports through [REDACTED], which is also 100% directly owned by Zhejiang Hailiang. Hailiang Vietnam negotiates directly with foreign customers and determines the export price; goods are shipped directly from Hailiang Vietnam to foreign customers. [REDACTED] (detailed sales process is provided in response to Section B-1). Therefore, Hailiang Vietnam should be recognized as the actual exporter, while [REDACTED].

9. Provide your company's internal organisation chart.

RESPONSE:

Please refer to Attachment A-2.9.

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

RESPONSE:

The function of each department is self-explanatory according to the name of department, please refer to Attachment A-2.9.

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

RESPONSE:

Hailiang Vietnam does not have brochures.

### A-3 General accounting information

1. What is your financial accounting period?

RESPONSE:

The financial accounting period starts on January 1<sup>st</sup>, ends on December 31<sup>st</sup>.

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

RESPONSE:

The financial accounts are audited by U&I Auditing Company Limited.

3. What currency are your accounts kept in?

RESPONSE:

The accounts are kept in Vietnamese dong.

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

RESPONSE:

Hailiang Vietnam uses SAP system.

5. What is the name of your sales system?

RESPONSE:

Hailiang Vietnam uses SAP system.

6. What is the name of your production system?

RESPONSE:

Hailiang Vietnam uses SAP system.

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

RESPONSE:

Data of financial accounting, sales, and production are all recorded in SAP system.

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

RESPONSE:

Hailiang Vietnam follows the generally accepted accounting principles of Vietnam.

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

RESPONSE:

The changes to accounting policies are explained in details in auditor's reports. Please refer to Attachment A-4.1.

#### 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.

RESPONSE:

At Attachment A-4.1, we provide the auditor's reports of Hailiang Vietnam for 2019 and 2020, and auditor's reports of [ ] for 2019. [ ]'s financial statements for 2020 have not been audited as of this response, so we provide un-audited financial statements for 2020 at this attachment.

2. If the financial statements in A-4.1 are unaudited, provide for each company:

- (a) the tax returns relating to the same period; and
- (b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

RESPONSE:

Financial statements of Hailiang Vietnam are audited and auditor's reports are provided as Attachment A-4.1, therefore, this question is not applicable to Hailiang Vietnam.

For [ ], as stated above, we provided auditor's reports of [ ] for 2019 and non-audited financial statements for 2020 at Attachment A-4.1. Since [ ]'s financial statements for 2020 have not been audited, the tax returns for 2020 have not been prepared either.



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.

RESPONSE:

Hailiang Vietnam does not maintain different profit centres.

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

RESPONSE:

The period is the same as Hailiang Vietnam's financial period. Thus, this question is not applicable.

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

RESPONSE:

Please kindly refer to **Attachment A-4.5**.

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

RESPONSE:

Please kindly refer to **Attachment A-4.6**.

*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 representatives (e.g. agents) including:
  - (a) Marketing and advertising activities
  - (b) Price determination and/or negotiation process
  - (c) Order placement process
  - (d) Order fulfilment process and lead time
  - (e) Delivery terms and process
  - (f) Invoicing process
  - (g) Payment terms and process

#### RESPONSE:

To illustrate the export channel to Australia, Hailiang Vietnam provides the **Attachment B-1 Australian Export Channel**.

Hailiang Vietnam, the producer & exporter of the goods under concern, negotiates sales terms, such as prices, products specification, quantity, etc., with its Australian customers. Customers then issue the purchase order to Hailiang Vietnam for confirmation. Hailiang Vietnam confirms the purchase order, and [REDACTED]. After that, Hailiang Vietnam arranges the production. Upon the completion of production, Hailiang Vietnam packs the goods and ships them to the customer.

Hailiang Vietnam usually adopts FOB, DDU or DDP terms when exporting to Australia. The goods are transported from Hailiang Vietnam's factory to the port of export, and are delivered on the board. Under DDP or DDU term, Hailiang Vietnam was responsible to transport the goods to the customer's designated address.

Upon the receipt of invoice and based on the mutual agreed payment term, the Australian customers will make the payment to [REDACTED].

*Information redacted relates to detailed sales process conducted by Hailiang Vietnam which includes business confidential information.*

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;
  - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;
  - (c) How is the exchange rate determined in your accounting system and how often is it updated?

#### RESPONSE:

Hailiang HK invoices to Australian customers in US dollar ("USD"). [REDACTED], Hailiang HK would also adopt Australian dollar ("AUD").

Australian customers pay to [REDACTED] in invoiced currency. [REDACTED] has different bank accounts to accept remittance in different currencies.

Exchange rate in Hailiang Vietnam's accounting system is [REDACTED]

]. Hailiang Vietnam may

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.

RESPONSE:

Hailiang Vietnam has one related customer in Australia, i.e. ]. The selling price offered to [ ] has no difference with that to unrelated customer.

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

RESPONSE:

Sales are not made according to price list.

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.

RESPONSE:

Hailiang Vietnam does not offer different selling prices to different distribution channels.

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 and/or rebate.

RESPONSE:

Hailiang HK maintains a rebate agreement with one customer which is provided at Attachment B-6. According to this agreement, when [ ]. The rebate is shown as on-invoice discount and has been reported in Attachment B-2. For the terms and conditions, please refer to Attachment B-6 for details.

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.

RESPONSE:

Hailiang Vietnam did not provide credit or debit notes to its Australian customer during the POI.

8. In establishing the date of sale, the Commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:
- What date are you claiming as the date of sale?
  - Why does this date best reflect the material terms of sale?

RESPONSE:

Hailiang Vietnam does not challenge the use of invoice date as the date of sale.

## 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.

RESPONSE:

Hailiang Vietnam has prepared the **Attachment B-2** per instruction.

2. Complete worksheet “B-2.2 Australian sales source” showing the relevant source of the data used for each column of worksheet “B-2 Australian sales”.

RESPONSE:

Please refer to Attachment B-2.2 Source List.

### 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.*

RESPONSE:

Hailiang Vietnam has prepared the required documents for the two largest invoices by value of the goods, i.e. [REDACTED], as Attachment B-3.

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.

RESPONSE:

Please refer to annotation in Attachment B-3.

#### 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.

RESPONSE:

Please refer to Attachment B-4 Upwards Sales.

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.

RESPONSE:

Booked entries of sales adjustments sourced from the accounting system are provided as Attachment B-4.2.

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; and
  - provide the account code and sub-account code (if applicable) at column E of the worksheet.

RESPONSE:

Please refer to Attachment B-4.2 and column E in Attachment B-4.

## 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.

RESPONSE:

Please refer to Attachment B-5.

Hailiang Vietnam would like to explain that there is difficulty in reconciling the direct selling expenses reported in Attachment B-2 and D-2 to that recorded in financial records of POI.

The main reason is that the adjustment in Attachment B-2 and D-2 is reported per transaction, but at most of the time, it is not booked in the same month as the transaction. Hailiang Vietnam books these expenses when it receives invoices from the supplier, for example, inland freight carrier. However, the carrier would not issue the invoice per each shipment, it usually issues invoice for the total shipments of one month; and such invoice is issued one or two months later. Hence, it is not possible to reconcile the adjustments reported in worksheet with the direct sales expenses booked within the POI.

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.

RESPONSE:

Please refer to the response to section B-5.1.

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; and
  - provide the account code and sub-account code (if applicable) at column D of the worksheet.

**RESPONSE:**

Please refer to the response to section B-5.1.

## 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.

##### RESPONSE:

The goods exported from Hailiang Vietnam to Australia include plumbing tubes and refrigeration tubes. Detailed information has been reported in Attachment B-2.

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.

##### RESPONSE:

MCCs of the goods exported to Australia by Hailiang Vietnam during the POI are:

SN	MCC
1	R-H-U-C-S-P
2	P-H-U-C-S-P
3	P-H-U-U-S-P
4	R-B-U-C-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.

##### RESPONSE:

The goods sold domestically by Hailiang Vietnam are refrigeration tubes. Detailed information has been reported in Attachment D-2.

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.

##### RESPONSE:

MCCs of the goods sold domestically by Hailiang Vietnam during the POI are:

SN	MCC
1	R-H-U-C-S-P
2	R-S-U-C-S-P



3	R-B-U-C-S-P
4	R-B-U-U-S-P
5	R-H-U-U-S-P

### C-3 Internal product codes

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

If yes:

- 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.
- Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- Provide a table of showing the product or SKU codes for each MCC.

If no:

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

#### RESPONSE:

Hailiang Vietnam uses SAP system. In SAP system, the product code, i.e. material code, is adopted. Material code consists of [REDACTED].

[REDACTED].

There are several material groups defined in the SAP system, but [REDACTED]. We prepared **Attachment C-3.1(a)** (Material Group in SAP) for ADC's reference.

Following the [REDACTED]. Explanation on what specific product this material code refers to is contained in the exclusive Material Description along with such material code. The material description usually consists of [REDACTED].

Take material code [REDACTED] as an example.

Material code	Material Group	Material Description in CN	Material Description in EN
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The material description tells that it is a [REDACTED]. It is a goods under consideration.

Goods are [REDACTED].

**Attachment C-3.1(b)** is provided to show the matchup between material code and MCC.

Hailiang Vietnam would like to make suggestion on the composition of MCC. When organizing the cost sheet G-3 and G-5, Hailiang Vietnam noticed there is a difficulty in reporting MCC as required, for the category "Cap". As introduced before, Hailiang Vietnam adopts SAP system in its financial accounting. In SAP, product is assigned with its exclusive material code, and cost is accounted based on material code. In preparing the G-3 and G-5, Hailiang Vietnam relied on the cost reports exported from SAP, and used the material code to identify relevant MCC. The material code encompass detailed product characteristics which is used to prepare the MCC (detailed explanation is provided above), but it does not include whether the cap is used. Including cap or not is a requirement from the customers. So, for a material code, it may have cap and it may not, based on what the customer requires. Therefore, in sales table B-2 and D-2, Hailiang Vietnam could organize the complete MCC, because technician staff would know for each transactions that whether the customer asks for using caps, but it is impossible to identify, in cost table, which material code uses cap.



Hailiang Vietnam believes the same situation would happen to other parties as well. Therefore, Hailiang Vietnam would like to suggest that “cap or not” should not be taken as one of the components of MCC.

Based on the above argument, Hailiang Vietnam inserts a new column named “Matching MCC” in Attachment B-2, D-2, G-3 and G-5 to report MCC which does not include “Cap” as a factor.

## 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
  - (b) Price determination and/or negotiation process
  - (c) Order placement process
  - (d) Order fulfilment process and lead time
  - (e) Delivery terms and process
  - (f) Invoicing process
  - (g) Payment terms and process

#### RESPONSE:

In the domestic market, Hailiang Vietnam negotiates price directly with its customers. The price is set by considering [REDACTED].

Usually, when a customer has intention to purchase goods from Hailiang Vietnam, it shall will send a purchase order Hailiang Vietnam and negotiate the price, quantity, etc. with sales staff of Hailiang Vietnam. After reaching a consensus, Hailiang Vietnam will [REDACTED].

Then, Hailiang Vietnam arranges the production per the customer's requirement. Upon the completion of production, sales staff prepare and issue invoice and packing list to the customer which will make the payment to Hailiang Vietnam according to the agreed terms of payment.

Since Hailiang Vietnam is located at the bonded area of Vietnam, all of its sales made to domestic customers in Vietnam are regarded as exports sales by the Customs. Thus, Hailiang Vietnam issues two types of invoices, one invoice (named commercial invoice) is issued for the Customs declaration and the other (named tax invoice) is issued for tax purpose. Both invoices will be issued to the customer for payment. The date of the tax invoice, as recorded in the accounting system, is used as the date of sale.

Also, Hailiang Vietnam arranges delivery of the products to the customer. Hailiang Vietnam usually has two kinds of delivery, delivered to the customer's place or delivered at plant. If deliver at plant, Hailiang Vietnam does not undertake the transportation fees. Several terms of sales were used during the POI including [REDACTED]. Under the terms [REDACTED].

Hailiang Vietnam [REDACTED].

*Information redacted relates to detailed sales process conducted by Zhejiang Hailiang which includes business confidential information.*

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.

#### RESPONSE:

During the POI, Hailiang Vietnam only had one transaction with one of its related company, [REDACTED]. Hailiang Vietnam determines the selling price with its related customers according to the market situation and cost to make and sell, [REDACTED].

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

RESPONSE:

Hailiang Vietnam does not use price list in the domestic market.

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.

RESPONSE:

Hailiang Vietnam's selling prices does not vary according to the distribution channel.

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 customer to obtain the discount and/or rebate.

RESPONSE:

Hailiang Vietnam did not provide on-invoice discounts and/or off-invoice rebates to the customer during the POI.

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.

RESPONSE:

Hailiang Vietnam did not issue credit or debit notes to the customer or associate of the customer in relation to the sales of the like goods during the period.

7. In establishing the date of sale, the Commission will normally use the date of invoice as it best reflects the material terms 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?

RESPONSE:

Hailiang Vietnam does not claim for a different date of 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.

RESPONSE:

Please refer to **Attachment D-2 Domestic Sales.1**

2. Complete worksheet "D-2.2 domestic sales source" listing the source of the data used for each column in worksheet "D-2 domestic sales".

RESPONSE:

Please refer to **Attachment D-2.2 Source List**.

### 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.*

RESPONSE:

Zhejiang Hailiang has prepared the required documents for the two largest invoices by value of the goods, i.e. [redacted] and [redacted], as **Attachment D-3**.

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.

RESPONSE:

Please refer to annotation in **Attachment D-3**.

### 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; and
  - provide the account code and sub-account code (if applicable) at column E of the worksheet.

RESPONSE:

Please refer to **Attachment B-4**.

## 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

#### RESPONSE:

Hailiang Vietnam provides credit terms to its domestic customers, including rolling credit facilities. Payment term agreed between Hailiang Vietnam and relevant domestic customers has been reported line by line in Attachment D-2. Further, as required in this section, Hailiang Vietnam also provides the calculation sheet of average credit term for each domestic customers. Please refer to Attachment E-1.1(a) Domestic Average credit term.

- (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?

#### RESPONSE:

Hailiang Vietnam has short term borrowing.

Attachment E-1.1(b) is provided to calculate the weighted average interest rate of USD short-term borrowing maintained during the POI.

- (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?

#### RESPONSE:

Hailiang Vietnam has VND term deposits.

Attachment E-1.1(c) is provided to calculate the weighted average interest rate of term deposits.

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:
    - i. Calculate the accounts receivable turnover for each Australian customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each Australian customer by dividing 365 by the accounts receivable turnover

#### RESPONSE:

Credit is granted to Australian customers in relation to sales of the goods, but it is not granted on a rolling basis.

- (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?

- ii. Do you have 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?

RESPONSE:

Hailiang Vietnam has short-term borrowing in USD.

Attachment E-1.2(b) is provided to calculate the weighted average interest rate of USD short-term borrowing.

Hailiang Vietnam does not have term deposit/bonds in USD during the POI.

## E-2 Packaging

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

RESPONSE:

There are two types of packing method used for domestic sales of like goods: (1) [ ] and (2) [ ].

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

RESPONSE:

There are two types of packing method used for Australian sales of like goods: (1) [ ] and (2) [ ].

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

RESPONSE:

There are no distinct differences between packaging of domestic sales and export sales to Australia.

## 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?

RESPONSE:

Hailiang Vietnam transports sales of like goods to certain domestic customers. Hailiang Vietnam has a manual record of transport in which each delivery to customers is recorded, with the information of amount of freight. When preparing D-2, Hailiang Vietnam uses this manual record to identify the freight for each delivered transaction.

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

RESPONSE:

[ ] are adopted when exporting to Australia.



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?

RESPONSE:

Inland Transport and Port Charges reported in B-2 is reported based on actual invoice issued by the carrier or agent.

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?

RESPONSE:

Ocean Freight reported in B-2 is reported based on actual invoice issued by the carrier.

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?

RESPONSE:

Marine insurance reported in B-2 is reported based on actual invoice issued by the carrier.

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?

RESPONSE:

[ ] is adopted in sales with [ ], and the importation and delivery costs is calculated and reported based on the actual amount paid by [ ].

#### 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.

RESPONSE:

Hailiang Vietnam does not provide sales commissions to domestic sales of like goods.

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?
  - How is VAT accounted for in your records in relation to sales of the goods and like goods?
  - Do you receive a VAT refund in relation to sales of the goods and/or like goods?
  - Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

RESPONSE:

Hailiang Vietnam is an export processing company located in the bonded area of Vietnam. The company only engages in processing trade, which means that it imports all raw materials from abroad and then exports the processed finished products. Local Tax Department of Tien Giang Province issued the No. 44 /CT-TTHT official letter (see Attachment E-4) to Hailiang Vietnam confirming that, export processing enterprises are not subject to VAT, are not required to declare and pay output VAT, and are not allowed to declare and refund input VAT. As a result, Hailiang Vietnam has not declared



or paid any VAT for both exportation of finished goods and importation of inputs, and has not declared or obtained any VAT refund either.

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

RESPONSE:

There were no other direct selling expenses incurred in relation to domestic sales of like goods. All the direct selling expenses incurred by our company has been reported in Attachment D-2.

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

RESPONSE:

There were no other direct selling expenses incurred in relation to export sales of the goods to Australia. All the direct selling expenses incurred by our company has been reported in Attachment B-2.

## 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.

RESPONSE:

No other adjustment claims.

## 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.

RESPONSE:

Sales processes to third countries are not different from that to Australia.

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.

RESPONSE:

There are [ ] [ ]. They are [ ]. The selling prices to related customers have no difference from that to unrelated customers. Hailiang Vietnam adopts pricing method [ ].

3. In establishing the date of sale, the Commission will normally use the date of invoice as it best reflects the material terms 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?

RESPONSE:

Hailiang Vietnam does not challenge the use of invoice date as the date of sale.

### 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.

RESPONSE:

Please refer to Attachment F-2 Third Country Sales.

2. Complete worksheet "F-2.2 third country sales source" listing the source of the data for each column in the worksheet "F-2 third country sales".

RESPONSE:

Please refer to Attachment D-2.2 Source List.

### **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.

**RESPONSE:**

There are no such differences.

## 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.

RESPONSE:

Please refer to G-1.1 for the production process of the goods.

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.

RESPONSE:

There are

].

#### G-2. Cost accounting practices

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

RESPONSE:

Hailiang Vietnam's cost accounting system is a module integrated within the SAP. SAP adopts standard costing method, and the cost differences between standard and actual cost are allocated at the monthly end by the SAP system.

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?
  - (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
  - (c) How were those variances allocated?
  - (d) Provide details of any significant or unusual cost variances that occurred during the period.

RESPONSE:

Cost reported in G-3 and G-5 is actual cost, not standard one.

All variances have been allocated to the goods. The variances are allocated based on the [ ]

There were no significant or unusual cost variances occurred during the period.

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.

RESPONSE:

Please kindly refer to Attachment G-2.3 for cost centres in Hailiang Vietnam's SAP system. Cost centres are classified as "main cost centres" and "auxiliary cost centres". The main cost centres are used to collect the cost which could directly attribute to certain products; while the auxiliary cost centres are used to collect the cost incurred by auxiliary department which cannot be traced directly or in full to the product. Cost collected in auxiliary cost centres are usually allocated to products in accordance with [ ]

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

## RESPONSE:

SAP records production costs to the level of material code.

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

## RESPONSE:

There are no such differences.

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

## RESPONSE:

Hailiang Vietnam has not engaged in any start-up operation in relation to the goods.

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

## RESPONSE:

Weighted average method is used to value raw material, work-in-process and finished goods inventories.

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

## RESPONSE:

[redacted]. Hailiang Vietnam called the damaged or sub-standard copper products as [redacted]. The cost is measured using [redacted].

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

## RESPONSE:

[redacted]. The cost is measured using [redacted].

There are no by-products or joint products generated in the production.

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

## RESPONSE:

There are no management fees or corporate allocations charged to Hailiang Vietnam by parent or related companies.

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

- 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.

RESPONSE:

Attachment G-3 is prepared as required for domestic CTM.

As explained in Section C-3.1, the material code which Hailiang Vietnam relied on to report cost of production and identify factors of MCC does not include the information of “capping”, and whether or not to use cap is determined by customers’ requirement, and is not related to material code. In order to associate MCC in G-3/5 with that in B-2 and D-2, Hailiang Vietnam uses a column to report “Matching MCC” which does not includes the factor of “Capping”.

2. Complete worksheet titled “G-3.2 domestic CTM source” listing the source of the data for each column of the worksheet “G-3 domestic CTM”.

RESPONSE:

Please refer to Attachment G-3.2.

## 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.

RESPONSE:

Please kindly refer to Attachment G-4.

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.

RESPONSE:

Please kindly refer to Attachment G-4.

## 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.

RESPONSE:

Attachment G-5 is prepared as required for Australian CTM.



[ ]].

2. Complete worksheet titled "G-5.2 Australian CTM source" listing the source of the data for each column of worksheet "G-5 Australian CTM".

RESPONSE:

Please refer to Attachment G-5.2.

## G-6 Cost allocation method

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

RESPONSE:

As explained in response to section G-2.4 above, SAP records production costs to the level of material code. Hailiang Vietnam reported in G-3 domestic CTM and G-5 Australian CTM the production costs exported directly from SAP on material code basis, by organizing and summarizing them into each matching MCC and in quarterly fashion.

The allocation is not made manually but is running by the SAP system.

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 method described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

RESPONSE:

As explained in response to section G-6.1, the cost reported in G-3 and G-5 is directly exported from SAP system. The allocation is not made manually but is running by the SAP system.

## G-7 Major raw material costs

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

RESPONSE:

The major raw materials are [ ]].

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.

RESPONSE:

[ ] is not sourced as part of an integrated production process or from a subsidiary company that Hailiang Vietnam exercises control.



[REDACTED], as explained under section G-2, is composed of [REDACTED], which is also not part of an integrated production process, nor from any subsidiary that Hailiang Vietnam exercises control.

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.

RESPONSE:

According to G-3, the [REDACTED].

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.

RESPONSE:

Please refer to Attachment G-7.4 Raw Material Purchases for [REDACTED]. [REDACTED].

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

RESPONSE:

Please refer to Attachment G-7.5 Source List.

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.

RESPONSE:

For [REDACTED], Hailiang Vietnam provides the invoices for the largest transactions by value. Please refer to Attachment G-7.6. The relevant goods are purchased from [REDACTED]. Since both Hailiang Vietnam and [REDACTED] have account receivables from each other, the two companies usually make payments based on the balance. Therefore, there is no payment as per each transaction, and so Hailiang Vietnam did not provide proof of payment for the two selected invoices.

The Attachment G-7.4 is prepared based on the report exported from SAP, by operating the transaction code [REDACTED]. The report includes all the purchase invoices from suppliers during certain period. In this report, the purchase quantity and actual value of raw materials are recorded, and it can trace back to invoices received from the suppliers, as demonstrated by invoices provided in Attachment G-7.6.

However, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

].

To demonstrate that Attachment G-7.4 has included all purchase invoices during the POI for [ ], a screenshot of [ ] in SAP is provided as Attachment G-7.6(c).

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.

RESPONSE:

There are [ ]

].

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

- 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.

RESPONSE:

Please refer to Attachment G-8 Upwards Costs.

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

RESPONSE:

Trial balance of Hailiang Vietnam is provided as Attachment A-4.5.

Attachments G-3 and G-5 are prepared based on the Cost Report exported from SAP using transaction code [ ]. The relevant report for subject goods are provided as Attachment G-8.2.

- 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; and
  - provide the account number and sub-account number (if applicable) at column E of the worksheet.

RESPONSE:

Please refer to Attachment A-4.5, G-8.2 and G-8.

## G-9 Production of the goods under consideration

- Describe your company's practices for capturing the production quantities reported at worksheets "G-3 domestic CTM" and "G-5 Australian CTM". Consider using a flowchart in answering this question.

RESPONSE:

Hailiang Vietnam uses SAP to manage its production. Production quantities reported in G-3 and G-5 are exported from SAP system.

- Outline the types of source documents kept by the company in relation to production quantities and how the production quantities are entered into the accounting system. Consider using a flowchart in answering this question.

RESPONSE:

Hailiang Vietnam's SAP is installed with [ ]]. [ ]  
[ ]].

3. Briefly explain the reasons for any differences between:

- (a) the production quantities reported at worksheet "G-3 domestic CTM" and the sales volumes reported at worksheet "D-2 domestic sales"; and
- (b) the production quantities reported at worksheet "G-5 Australian CTM" and the sales volumes reported at worksheet "D-2 domestic sales".

RESPONSE:

The difference between G-3 and D-2/ G-5 and B-2, if any, is due to the beginning or ending balance of inventory.

4. Do you have warehousing facilities for the goods exported to Australia or sold domestically? If no, what do you do with excess inventory? If yes, please outline:

- (a) the volume capacity of these facilities;
- (b) the monthly amount of inventory maintained during the period; and
- (c) the average period of time that inventory is retained, and how this is calculated.

RESPONSE:

[ ]  
[ ]  
[ ]  
[ ]].  
[ ]  
[ ]].

## G-10 Capacity Utilisation

1. 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.

RESPONSE:

Please refer to Attachment G-10 Capacity Utilisation.

2. Explain how the production capacity and capacity utilisation has been calculated.

RESPONSE:

Hailiang Vietnam summarized production quantity of subject goods through [ ] on a monthly basis for the POI and selected the largest one. Capacity is calculation by multiplying the maximum monthly production quantity with 12 (months).

Since the production capacity of Hailiang Vietnam does not change from 2019 to the POI, the same capacity of the POI is used to report that of 2019.