

## Investigation 580 – Copper Tube exported from Vietnam - Exporter Briefing

### I. Hailiang (Vietnam) Copper Manufacturing Company Limited (“Hailiang Vietnam”)

In the absence of an Exporter Questionnaire Response (“EQR”) for the Vietnamese exporter(s) of copper tube, MM Kembla considers the following matters are key considerations in the verification of the exporter’s financial records concerning the subject goods:

#### a) Copper Cost

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)?*

#### RESPONSE:

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

*[Comments about timing differences associated with copper purchases influencing costs. Issues of fixed copper contracts versus forward spot pricing. Confidential details about MM Kembla copper purchasing.*

*Factors that influence price of subject goods include:*

- *Source of copper is important;*
- *Scrap copper influences quality;*
- *Issue of drawing thin].*
- 

#### b) *Hailiang Copper Australia Pty Ltd*

The Hailiang Copper Australia entity was established in October 2019. It is MM Kembla’s understanding that *[company]* is warehousing and performing third party services *[location]*.

*[Comments re commission sales and nature of transactions].*

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

#### c) *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.*

Hailiang Copper Australia Pty Ltd distribute *[period]* price lists. Refer to Investigation No. 557 – Copper tube exported to Australia from China and Korea – Arms-length Sales submitted by MM Kembla.

*[Comments on rebates and impact of selling agent costs on normal value].*

FOR PUBLIC FILE

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 does not offer different selling prices to different distribution channels.

*[MM Kembla not aware of different pricing by channel].*

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

RESPONSE:

Hailiang does not provide sales commissions to domestic sales of like goods. When exporting to Australia.

*[MM Kembla's assessment of sales commissions].*

d) *Off invoice rebates*

RESPONSE:

Hailiang indicates in Invest 557 that it did not provide on-invoice discount or off-invoice rebates to its Australian customer during the POI.

*[MM Kembla's understanding of off-invoice rebates – commercially sensitive].*

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.

*[See MM Kembla's response above.]*

e) *Refrigeration tube – Capping*

The addition of caps to tube is a time-consuming process.

*[MM Kembla's confidential understanding of capping on Chinese exported goods].*

f) *Allocation of Draw Thin*

*MM Kembla's confidential assessment of impact of costing associated with drawing thin processes].*