



Australian Government  
Department of Industry, Science,  
Energy and Resources

Anti-Dumping Commission

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**中船澄西船舶修造有限公司**  
**CHENGXI SHIPYARD CO.,LTD.**

**Exporter Questionnaire**

**Case number:** Accelerated Review 597

**Product:** Wind Towers

**From:** The People's Republic of China

**Period of review:** 1 July 2020 to 31 December 2021

**Response due by:** 21 February 2022  
Extended to 28 February

**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.**

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## INSTRUCTIONS

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

The Anti-Dumping Commission (the commission) is conducting an accelerated review into wind towers exported to Australia from the People's Republic of China (China).

The commission will use the information you provide to determine normal values and export prices over the review period (the period).

The commission will collect and use information in accordance with the commission's Collection and Use of Information Policy.

### 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 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

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- 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 considered 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 publishing on the 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 without breaching confidentiality.

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 requested to resubmit your response with the required level of detail or, if deadlines have passed, the commission may not have regard to it.

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

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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 the planning of a verification, please contact the commission as soon as possible for a potential verification date to be scheduled.

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, rather 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. The commission considers that the dumping 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. To the extent that the foreign language version differs, the English translation will be given priority as a matter of interpretation in Australia.
- 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.

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<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.

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- 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 commission 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.

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**CHECKLIST**

This section is an aid to ensure that you have completed all sections of this questionnaire.

<b>Section</b>	Please tick if you have responded to all questions
Section A Company information	✓
Section B Export sales to Australia	✓
Section C Like goods	✓
Section D Domestic sales	✓
Section E Due allowance	✓
Section F Third country sales	✓
Section G Cost to make and sell	✓
Exporter's declaration	✓
Non-confidential version of this response	✓

<b>Attachments</b>	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	✓

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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	✓



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

The goods under consideration (the goods) i.e. the goods exported to Australia, are:

*Certain utility scale wind towers, whether or not tapered, and sections thereof (whether exported assembled or unassembled), and whether or not including an embed being a tower foundation section.*

*Wind turbines that have electrical power generation capacities equal to or in excess of 1.00 megawatt (MW) and with a minimum height of 50 metres measured from the base of the tower to the bottom of the nacelle (i.e. where the top of the tower and nacelle are joined) when fully assembled.*

*A wind tower section consists of, at a minimum, multiple steel plates rolled into cylindrical or conical shapes and welded together (or otherwise attached) to form a steel shell, regardless of coating, end-finish, painting, treatment or method of manufacture, and with or without flanges, doors, or internal or external components (e.g., flooring/decking, ladders, lifts, electrical junction boxes, electrical cabling, conduit, cable harness for nacelle generator, interior lighting, tool and storage lockers) attached to the wind tower section.*

### Additional information

Goods specifically excluded from the scope are nacelles and rotor blades, regardless of whether they are attached to the wind tower. Any internal or external components which are not attached to the wind towers or sections thereof are also excluded.

The goods may be classified to 7308.20.00 in Schedule 3 to the Customs Tariff Act 1995 (see below). This applies to complete towers, unassembled or assembled, and applies to a basic tower that includes doors, ladders, landings and embed or tower foundation. Steel tower sections, including sections with doors etc. are classified to 7308.90.00, assembled or disassembled, provided there aren't enough in a shipment to be judged to be a complete tower.

Combinations of towers and tower sections may vary on a case by case basis for assessment of tariff classification. Classification may vary when there is more of one item than another, for example a tower section and lift or a tower section with lift, electrical junction boxes and other equipment. An assembled complete wind powered generator is a composite machine consisting of two or more machines fitted together to form a whole; wind engine, generator, gearbox, yaw controls etc. fitted in a steel tower and nacelle, and has a classification to subheading 8502.31.10.

The goods, as per the description above, may be classified to tariff subheadings 7308.20.00 (statistical codes 03 and 04); 7308.90.00 (statistical codes 52, 53, 54, 55, 56, 63 and 65); and 8502.31.10 (statistical code 31) in Schedule 3 to the *Customs Tariff Act 1995*.

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

<b>Name:</b>	[CONFIDENTIAL TEXT DELETED]
<b>Position in the company:</b>	In-house Counsel
<b>Address:</b>	1 Hengshan Road Jiangyin City Jiangsu 214433 China
<b>Telephone:</b>	[CONFIDENTIAL TEXT DELETED]
<b>E-mail address of contact person:</b>	[CONFIDENTIAL TEXT DELETED]

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

<b>Name</b>	Charles Zhan
<b>Address</b>	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory Australia 2609
<b>Telephone</b>	+61 2 6163 1000
<b>Facsimile number</b>	+61 2 6162 0606
<b>Email address of contact person</b>	charles.zhan@moulislegal.com
<b>All communications in relation to this matter should be directed to Moulis Legal in the first instance.</b>	

*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.*

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

**Chengxi keeps its company financial records at the same address as provided in A-1.1 above.**

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

**Chengxi keeps its company financial records at the same address as provided in A-1.1 above.**

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

**Chengxi’s production plant manufacturing the goods under consideration (“the GUC”) is at the same address as provided in A-1.1 above. Chengxi also operates additional manufacturing facilities at Yangzhou. The factory address is Ship Industrial Park, Yanjiang Development Zone, Daqiao Town, Jiangdu District, Yangzhou City, Jiangsu Province.**

**A-2 Company information**

1. What is the legal name of your business?

**The legal name of the company is Chengxi Shipyard Co., Ltd.**

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

**No.**

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

**No.**

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

**The list of Chengxi’s current board of directors and changes in the last two years have been provided in Chengxi’s application for this accelerated review, at Confidential Attachment 5. This is provided again in this response, at Attachment A-2.4 [CONFIDENTIAL ATTACHMENT].**

5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:

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- (a) A diagram showing the complete ownership structure; and
- (b) A list of all related companies and its functions

**Please see detailed diagram showing the ownership structure with companies associated with Chengxi at Attachment A-2.4.**

6. Is your company or parent company publicly listed?

If yes, please provide:

- (a) The stock exchange where it is listed; and
- (b) Any principle shareholders<sup>2</sup>

If no, please provide:

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

**Chengxi is 100% owned by its parent company China CSSC Holdings Limited. China CSSC Holding Limited is a publicly listed company on the Shanghai Stock Exchange. The only principal shareholder with more than 5% of shareholding of China CSSC Holdings Limited is China State Shipbuilding Corporation Limited, who held 44.47% shares in the company as of 30 October 2021.**

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.

**Chengxi's main business is reflected in its four business divisions, which are:**

- **Defence ship repairing;**
- **Ship and offshore equipment building and repairing;**
- **Industry appliances; and**
- **Maritime services;**

**The production and sales of the GUC is part of the steel structure sub-division under the industry appliances division. Chengxi manufacture and sells wind towers both to the domestic and overseas market.**

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:

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<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.

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

**Chengxi performs all of the functions listed above. That is, Chengxi is responsible for the functions of:**

- **marketing/bidding**
- **contract negotiation;**
- **sales (globally including Australia and China); and**
- **production**

**In terms of exports of the GUC to Australia during the review period (“POR”), Chengxi was responsible for the entire sales process from responding to the “requests for quotation” to negotiation and sale. Chengxi was also responsible for the production of the GUC exported to Australia.**

**[CONFIDENTIAL TEXT DELETED – detailed explanation of commercial arrangement concerning production]**

9. Provide your company’s internal organisation chart.

**Please find Chengxi’s internal organisation chart at Attachment A-2.9 [CONFIDENTIAL ATTACHMENT]**

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

**Please see the relevant explanation at Attachment A-2.9.**

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

**Please see Chengxi’s company brochure at Attachment A-2.11 [CONFIDENTIAL ATTACHMENT].**

**A-3 General accounting information**

1. What is your financial accounting period?

**Chengxi’s accounting period the calendar year, 1 January to 31**

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**December.**

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

**Chengxi's annual financial accounts are audited. In 2020, they were audited by [CONFIDENTIAL TEXT DELETED - auditor].**

3. What currency are your accounts kept in?

**The accounting currency for Chengxi is Chinese Yuan.**

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

**Chengxi uses the [CONFIDENTIAL TEXT DELETED – proprietary financial system] integrated system as its financial system.**

5. What is the name of your sales system?

**Same as the above.**

6. What is the name of your production system?

**Chengxi uses [CONFIDENTIAL TEXT DELETED – proprietary financial system] for the purpose of maintaining production records.**

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.

**Chengxi uses the [CONFIDENTIAL TEXT DELETED – proprietary financial system] to record production information, the system then generate electronic management reports in relation to the materials inventory, project management, and project expenses accounting, etc. Such reports are provided to the financial department for review and integration into the [CONFIDENTIAL TEXT DELETED – proprietary financial system].**

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

**There is no such differences. That is, Chengxi's accounting practices are in accordance 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.

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No.

## 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.

Please see:

- Chengxi's audited annual report 2020 at Attachment A-4.1.a [CONFIDENTIAL ATTACHMENT];
- Chengxi's financial statements for 2021 at Attachment A-4.1.b [CONFIDENTIAL ATTACHMENT];
- Chengxi Yangzhou's financial statements for 2020 and 2021 at Attachment A-4.1.c [CONFIDENTIAL ATTACHMENT].

2. If the financial statements in A-4.1 are audited, provide a copy of the audit management letters from your auditor accompanying the audited financial statements.

Chengxi provides the audit management letter at Attachment A-4.2 [CONFIDENTIAL ATTACHMENT].

3. 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.

Chengxi's financial statements are required to be audited. The auditing for the financial statements in 2021 is ongoing and is expected to be completed by the end of April.

4. 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.

Chengxi does not maintain different profit centres. Instead, profit and costs are maintained based on product types.

5. If the period is different to your financial period, please provide:

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- (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.

**The review period covers an 18 months period, which is different to Chengxi's calendar year based financial period. Please find attached financial statements for 1 July to 31 December 2020 at Attachment A-4.5 [CONFIDENTIAL ATTACHMENT], and the financial statements for 1 January to 31 December 2021 at Attachment A-4.1.b.**

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

**Please see Chengxi's trial balance covering the period and the most recent financial year at Attachment A-4.6 [CONFIDENTIAL ATTACHMENT].**

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

**Please see Chengxi's chart of accounts at Attachment A-4.7 [CONFIDENTIAL ATTACHMENT].**

*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
  - (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

[CONFIDENTIAL TEXT DELETED – detailed explanation of project bidding process, corporate and commercial arrangement, and sales terms of Australian sales]

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?

During the review period, Chengxi invoiced its Australian customer in [CONFIDENTIAL TEXT DELETED – currency], depending on the project.

For USD based invoices, the customer paid into Chengxi's USD denominated account with the [CONFIDENTIAL TEXT DELETED – banking details].

[CONFIDENTIAL TEXT DELETED – forward contracts arrangement].

[CONFIDENTIAL TEXT DELETED – exchange rate policy]

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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.**

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

**Chengxi bid for each wind tower project with the customer/s individually, and did not use price list or price extras 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.

**Not applicable, in that all of Chengxi's sales to Australia were made at the same level of trade.**

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.

**No.**

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.

**No.**

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:

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

**Chengxi's sales are managed based on each wind tower projects. Sales are recognised by Chengxi's financial system using "sales recognition" date. For export sales, sales are recognised once the goods are delivered for exportation according to the shipping terms. In practice, there can be some delays between the date of shipment and the sales recognition date due to the timeliness of having all lodged export declaration documents submitted to the finance**

department.

## 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.
  - This worksheet must also include exports of the goods that have been exempted from anti-dumping duties under 8(7) and section 10(8) of the *Customs Tariff (Anti-Dumping) Act 1975*<sup>3</sup>.
  - 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.

Please see attached Chengxi EQ Spreadsheet – B-2 Australian sales [CONFIDENTIAL ATTACHMENT].

For completeness, Chengxi has reported all Australian sales projects that were either invoiced during the review period or with a sales recognition date fall within the review period.

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”.

Please see required information within B-2 worksheet

## B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
  - Contracts

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<sup>3</sup> Please note that there are 2 exemptions currently in place for wind towers. Please refer to [EX0070](#) and [EX0072](#) for further details.

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- 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)

**Please see Attachment B-3 [CONFIDENTIAL ATTACHMENT] with the relevant documentations associated with two Australian projects.**

*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 “B-2 Australian sales” listing to the source documents in B-3.1.

**All relevant documents are directly matched to the project concerned.**

### **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.

**Please see attached Chengxi EQ Spreadsheet – B-4 Upwards sales [CONFIDENTIAL ATTACHMENT].**

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.

**Please see required information within B-4 Upwards sales worksheet.**

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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.

**Please see required information within B-4 Upwards sales worksheet.**

**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.

**Please see attached Chengxi EQ Spreadsheet B-5 Upwards selling expenses [CONFIDENTIAL ATTACHMENT].**

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.

**[CONFIDENTIAL TEXT DELETED – detailed explanation of accounting method]**

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.

**Please see required information in the B-5 worksheet**

## SECTION C EXPORTED GOODS & LIKE GOODS

### 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 GUC exported to Australia by Chengxi during the POR include [CONFIDENTIAL TEXT DELETED – commercial in confidence project information].

Wind towers are highly customised products. They are designed by Chengxi's customers for each specific project basis. Wind tower designs must be tailored for particular wind farm projects and the local geographical conditions. Wind towers are not commodity-type of products, produced in large volumes to conform to certain standardised specification/grades. Each wind tower model is defined by drawings and technical specifications in great detail.

2. Provide a list of the goods exported to Australia. This must cover all goods listed in the Australian sales listing in B-2.
  - This list must be disclosed in the public record version of the response.

Please see details of the goods exported to Australia provided above.

### 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.

Please see a full list of goods sold on the domestic market during the POR at D-2 Domestic Sales worksheet under column D. Further details are available at Section D.

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

Please see a full list of goods sold on the domestic market during the POR at D-2 Domestic Sales worksheet under column D. As mentioned above, wind towers are designed on a project basis and with highly

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**detailed engineering designs and technical specification. As such, the project details are not suitable for public record.**

3. Provide a detailed explanation of the differences where those goods sold domestically (i.e. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

<b>Exported Type</b>	<b>Domestic Type</b>	<b>Identical?</b>	<b>Differences</b>
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical, indicate "YES", otherwise "NO"	Where the goods exported to Australia are not identical to the like goods, describe the specification differences.  If it is impractical to detail specification differences in this table, refer to documents which outline differences

**Please see a list of tower projects sold by Chengxi during the POR at D-2 Domestic sales As shown in the list, [CONFIDENTIAL TEXT DELETED – commercial in confidence project information].**

**[CONFIDENTIAL TEXT DELETED – observation regarding product comparison and methodology for addressing physical differences]**

**C-3 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 goods for the purpose of completing this questionnaire.
- (c) Provide a table of showing the product or SKU codes for each goods.

If no:

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

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As mentioned above, wind towers are highly customised and project based engineering product. As such, for the purpose of sales, production, and cost recording, Chengxi manages the relevant information on a project by project basis. Each project has a unique project identifier using the contract references, and with project specific information recorded therein. Chengxi does not SKU coding system in relation to the GUC.



## 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

**[CONFIDENTIAL TEXT DELETED – detailed explanation of project bidding process, corporate and commercial arrangement, and sales terms of domestic sales]**

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.

**[CONFIDENTIAL TEXT DELETED – domestic customers]. During the POR, Chengxi's sales to [CONFIDENTIAL TEXT DELETED – domestic customers] were conducted by way of responding to project tenders in the same way as with unrelated parties.**

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

**Consistent with Chengxi's sales to Australia, all domestic sales of wind towers are negotiated on a project by project basis and not based on price list.**

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.

**Chengxi's domestic selling prices are determined by responding to tenders and negotiated on a project by project basis and are not based**

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on 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.

No.

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.

No.

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?

**Chengxi generally considers the sales of a project to be completed once a batch of towers are delivered according to the agreed schedule. For domestic sales, invoices are issued throughout the project based on multiple project milestones, and typically with the final instalment invoice issued after the expiry of a one year warranty period. Chengxi's sales record uses "sales recognition" date to recognise the timing of sales, reflecting the project milestone delivery of full set/s towers according to delivery schedule and customer's confirmation of delivery.**

## 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.

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Please see attached Chengxi EQ Spreadsheet D-2 Domestic sales [CONFIDENTIAL ATTACHMENT]

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".

Please see required information within the D-2 worksheet

### 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

Please see Attachment D-3 [CONFIDENTIAL ATTACHMENT] for the relevant sales documents for two of the largest domestic projects sold by Chengxi during the POR, one by invoice value and one by the number of towers.

*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.

Please see the required information in the D-2 worksheet and the D-3 documents.

### 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.

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

**Please refer to B-4 Upward sales.**

## 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?

**Chengxi calculated the average credit period for its domestic sales of wind towers during the POR. Please see Attachment E-1.1.a for the calculation. [CONFIDENTIAL ATTACHMENT]**

**Please find Chengxi's average short term borrowing rate and deposit rate calculation at Attachment E-1.1.b. [CONFIDENTIAL ATTACHMENT]**

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
  - (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?

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- 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?

[CONFIDENTIAL TEXT DELETED – credit arrangements for Australian projects].

**E-2 Packaging**

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

The only packaging for the wind towers are the section ends wrap.

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

The only packaging for the wind towers are the section ends wrap.

- 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 differences in the packaging of the wind towers.

**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?

All freight costs reported in D-2 are based on actual amount invoiced/incurred.

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

The delivery term for the GUC exported to Australia during the POR were [CONFIDENTIAL TEXT DELETED – shipping term].

- 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?

All freight costs reported in B-2 are based on actual amount invoiced/incurred.

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4. If the delivery terms of the Australian sales includes port handling and other export charges, how were these expenses calculated in the Australian sales listing in B-2?

**All freight costs reported in B-2 are based on actual amount invoiced/incurred.**

5. 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?

**Not applicable, in that the delivery term for the Australian sales during the POR were [CONFIDENTIAL TEXT DELETED – shipping term].**

6. 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?

**Not applicable, in that the delivery term for the Australian sales during the POR were [CONFIDENTIAL TEXT DELETED – shipping term].**

7. 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?

**Not applicable, in that the delivery term for the Australian sales during the POR were [CONFIDENTIAL TEXT DELETED – shipping term].**

### **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.

**No**

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?

**There is no such differences in tax liability.**

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

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

**For one of Chengxi's domestic sales, Chengxi paid bidding fees in relation to the project. This is identified in D-2 worksheet at column AN.**

**All direct selling expenses are listed in D-2 and B-5.**

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

**All direct selling expenses are listed in B-2 and B-5**

### **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.

**For some of Chengxi's domestic sales of wind towers, Chengxi had to keep the finished towers in warehouse for prolonged period due to customer's readiness of accepting the wind tower at the installation site. For such excessive warehousing situation, Chengxi incurred additional inventory costs. These are identified at column AM of the D-2 worksheet.**



## 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.

No.

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.

No

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?

**Chengxi's financial record recognizes sales according to the "sales recognition" date, which is closely related to the date of export.**

### 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.
  - While sales may be made in different currencies and on different shipping terms the sales listing also seeks to record an Ex-works value of these sales in your local currency.
  - 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.

**Please see Chengxi EQ Spreadsheet – F-2 Third country sales [CONFIDENTIAL ATTACHMENT].**

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".

Please see required information within the F-2 worksheet.

### **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.

As mentioned above, wind towers are made in accordance with unique designs and specification required by customers for each project. Accordingly, there are usually significant differences in the towers supplied to different projects, which are designed for different market and conditions. Chengxi can advise that none of the project exported to third country market are identical to the wind towers exported to Australia during the POR.

## SECTION G COST TO MAKE AND SELL

### G-1. Production process

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.

Please refer to Attachment G-1.1 wind tower manufacturing process flow chart. The production process can be summarised as follows:

(a) Cutting and Bevelling - cut steel plates into the shape as per technical design and bevel the edges of plates for next process

(b) Rolling - roll the steel plates into steel "cans"

(c) Welding - weld the long seam on each steel can and NDT inspection needed for the welding seam

(d) Fitting-up - weld a certain amount of steel cans together as one wind tower section and install the flange on the two ends of each section

(e) Blasting and Painting - using steel grids blasting machine to remove the rust on the inner and outer surface of each section and then spray the paint on surface

(f) Internals - install the internal parts for each section.

The scrap generated in the above production is scrap steel, which is sold by material department as steel scrap.

1. 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.

[CONFIDENTIAL TEXT DELETED – purchase of steel plate from related steel trader, and engagement of related company for certain processing tasks]

2. Provide information about your company's total production in the following table:

	Previous Financial Year	Most recent financial year	Investigation period
A – Production capacity (e.g. number of wind towers and			

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sections thereof)*			
B – Actual production in volume (e.g. number of wind towers and sections thereof)			
C – Capacity utilisation (%) (B/A x 100)			

**Please see Chengxi EQ Spreadsheet G-1 Production. [CONFIDENTIAL ATTACHMENT]**

**G-2. Cost accounting practices**

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

**Chengxi’s cost accounting system is based on actual cost.**

1. 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.

**Chengxi’s cost accounting system is based on actual cost for completed projects. For the projects reported in G-3.1 and G-5.1, Chengxi reported the finalised actual costs for each project.**

2. 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.

**As mentioned in Section A above, Chengxi’s cost accounting system is product type and project based.**

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

**Chengxi records production costs at the project level. As such, all costs**

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**incurred under a particular project, regardless of the specific type of products being produced, are treated equally as the cost incurred for that project.**

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

**No.**

5. 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.

**For details of start-up operation during the POR, please see Attachment G-2.5. [CONFIDENTIAL ATTACHMENT]**

**The cost is recorded as fixed assets and accounted for in depreciation from the second month after start up.**

6. 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)?

**Chengxi records actual costs on a project by project basis capturing all of the costs incurred and traced to the relevant project account. Indirect costs are allocated based on working hours on a monthly basis.**

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

**Damaged or sub-standard goods generated at various stages of production are valued at its actual cost.**

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

**Scraps are valued at its market value. There are no by products or joint products generated in relation to the GUC.**

9. 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

- Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type (identified in section C) of the like goods sold on the domestic market.

Prepare this information in the “G-3 Domestic CTMS” spreadsheet in the “Exporter Questionnaire – Attachment” Excel workbook.

Title of wind farm project	Project X	Project X
Customer name		
Contract number		
Contract date		
Invoice number		
Invoice date		
Item (e.g. complete tower, embed)		
Model specification / product code		
Quantity		
Delivery date		
<b>Variable manufacturing costs</b>		
Material – steel plate (for towers)		
Material – flanges and flange bolts (for towers)		
Material – steel plate (for embeds / foundation)		
Material – flanges and flange bolts (for embeds / foundation)		
Material – mechanical and electrical internal components		
Material – lifts (where applicable)		
Material – door frames, ladders (where applicable)		
Material – paint		
Material – packaging		
Direct labour – manufacturing / production / packaging		
Direct labour – testing, non-destructive testing (NDT) and QA		
Other costs		
<b>Fixed manufacturing costs</b>		
Overheads		

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Depreciation		
Finance charges		
Other costs		
<b>Total cost to make</b>		
Selling costs		
Administration and general costs		
Financial costs		
Delivery expenses		
Other costs		
<b>Total cost to sell</b>		
<b>Total cost to make and sell</b>		
<b>Unit cost to make and sell</b>		

*Provide this information for each unique unit of the goods invoiced during the period of the investigation. For example, if one contract specifies production of two different types of the goods, provide this information for each type of the goods.*

*Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.*

*If you are unable to supply this information in this format, please contact the case manager for this investigation.*

*Please specify unit of currency.*

- 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.

**Please see Chengxi EQ Spreadsheet G-3 Domestic CTMS.**  
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**[CONFIDENTIAL TEXT DELETED – detailed explanation regarding cost records and reporting]**

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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".

Please see required information within G-3 worksheet.

### 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, including finance expenses, by account code for the most recent accounting period and the period.
  - Exclude any SG&A amount in respect of:
    - unrealised foreign exchange gains/loss
    - provision for doubtful debt
    - any other income/expense not directly/indirectly related to the manufacture or sale of the goods or like goods
  - The SG&A listing should reconcile to the trial balance and/or income statement.
  - 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.

Please see Chengxi EQ Spreadsheet – G-4.1 Domestic SG&A.  
[CONFIDENTIAL ATTACHMENT]

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.

Please see Chengxi EQ Spreadsheet – G-4.2 Domestic SG&A calculation.  
[CONFIDENTIAL ATTACHMENT]

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

*The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.*

Prepare this information in the "G-5 Australian CTMS" spreadsheet in the "Exporter Questionnaire – Attachment" Excel workbook.



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Title of wind farm project	Project X	Project X
Customer name		
Contract number		
Contract date		
Invoice number		
Invoice date		
Item (e.g. complete tower, embed)		
Model specification / product code		
Quantity		
Delivery date		
<b>Variable manufacturing costs</b>		
Material – steel plate (for towers)		
Material – flanges and flange bolts (for towers)		
Material – steel plate (for embeds / foundation)		
Material – flanges and flange bolts (for embeds / foundation)		
Material – mechanical and electrical internal components		
Material – lifts (where applicable)		
Material – door frames, ladders (where applicable)		
Material – paint		
Material – packaging		
Direct labour – manufacturing / production / packaging		
Direct labour – testing, non-destructive testing (NDT) and QA		
Other costs		
<b>Fixed manufacturing costs</b>		
Overheads		
Depreciation		
Finance charges		
Other costs		
<b>Total cost to make</b>		
Selling costs		
Administration and general costs		
Financial costs		
Delivery expenses		
Other costs		
<b>Total cost to sell</b>		
<b>Total cost to make and sell</b>		
<b>Unit cost to make and sell</b>		

*Provide this information for each unique unit of the goods invoiced during the period of the investigation. For example, if one contract specifies production of two different types of the goods, provide this information for each type of the goods.*

*Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.*

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*If you are unable to supply this information in this format, please contact the case manager for this investigation.*

*Please specify unit of currency.*

- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each like good.
- 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.

**Please see Chengxi EQ Spreadsheet G-5 Australian CTMS.  
[CONFIDENTIAL ATTACHMENT]**

**[CONFIDENTIAL TEXT DELETED – detailed explanation regarding cost records and reporting]**

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

**Please see the source of data identified in the G-5 worksheet**

2. Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

**The cost differences between goods sold to the domestic market and those sold for export are due to the differences in design and costs for each project.**

3. Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

**For differences between the Chengxi's COGS and the actual cost of production due to the [CONFIDENTIAL TEXT DELETED – cost recording for different facilities] please see explanation provided above at G-3 and**

G-5.

4. In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc.) to determine the unit cost differs from the prior practice of your company.

There is no such differences.

## 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

**Raw materials costs are recorded based on actual cost of purchase for the materials traced to each project directly.**

**Labour costs – “direct labour” cost captures costs incurred for hiring external contract labour for each project in the same way as raw material costs. That is, invoices are issued for work done for each individual project and are recorded against the relevant project directly.**

**Labour costs in the form of workers’ salary are allocated in the same way as other manufacturing overheads, according to working hours recorded against each project.**

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.

**For the allocation method for labour and manufacturing overheads, please find calculation demonstration and supporting screenshots at G-6.2. [CONFIDENTIAL ATTACHMENT]**

**For raw materials cost – all raw materials are collected and costed to particular project based on the project code, please see the raw material inventory collection listing at Attachment G-6.2 raw materials. [CONFIDENTIAL ATTACHMENT]**

**For direct labour – please see supporting materials at Attachment G-6.2 direct labour ledger listing and sample invoices. [CONFIDENTIAL ATTACHMENT]**

ATTACHMENTJ

## G-7 Major raw material costs

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

The major raw material used in the manufacture of the goods are steel plate and flange.

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.

- 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.

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.

The required information has been included in the G-3 worksheet.

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. For these major inputs:
    - identify materials sourced in-house and from associated entities;
    - identify the supplier; and
    - show the basis of valuing the major materials in the costs of production you have shown for the goods (e.g. market prices, transfer prices, or actual cost of production).
  - The exporter questionnaire spreadsheet identifies plate steel and flanges as being examples of such costs. However, if there are further costs which individually account for 10% or more of the total production cost please detail these in the same manner.

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- 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.

Where the major input is produced by an associate of your company, the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input, such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc.).

The term 'associate' is defined in section 269TAA of the Customs Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

**Please refer to Chengxi EQ Spreadsheet G-7.4 steel plate and G-7.4 flange based on Chengxi's stock-taking for the POR. [CONFIDENTIAL ATTACHMENT]**

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

**Please see Chengxi EQ Spreadsheet G-7.4**

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.

**Please see Attachment G-7.6 steel plate supporting documents and G-7.6 flange supporting documents. [CONFIDENTIAL ATTACHMENT]**

## 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.

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Please see attached Chengxi EQ Spreadsheet G-8 Upwards cost. [CONFIDENTIAL ATTACHMENT]

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.

Please see required information in G-8 worksheet.

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

Please see required information in G-8 worksheet.

## G-9 Production of the goods under consideration

1. 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.

Due to the unique nature of wind tower products, quantities are accounted for by production department once production is completed and a certificate of compliance is issue. All projects reported in G-3 and G-5 are completed, as such, the production quantity reflecting the full quantities under each project has been reported. Separately, Chengxi reported the quantity reflecting the number of towers fall within the POR according to the sales recognition date.

2. 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.

Due to the unique nature of wind tower products, quantities are accounted for by production department once production is completed and a certificate of compliance is issue. Completed tower sections are then entered into inventory for delivery. [CONFIDENTIAL TEXT DELETED – detailed explanation of record keeping method in the accounting system]

3. Briefly explain the reasons for any differences between:

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- (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".

**As noted above, both the production quantities of each project, and the quantities corresponding to the POR based on sales recognition date, have been reported in G-3 and G5 for each project.**

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?

**Not applicable, in that Chengxi's wind tower productions are strictly project based. Each project is secured through bidding process, with the customer providing the tower design for each project.**

What lead times are typically needed to adjust volumes of production for the goods?

**No applicable, in that Chengxi's wind tower productions and delivery are based on the requirements under specific project and the delivery timeframe as set out for each project.**

## EXPORTER'S DECLARATION

I hereby declare that **Chengxi Shipyard 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:** Lu Ziyou

**Signature:**

A handwritten signature in black ink, appearing to be 'Lu Ziyou', written over a light blue horizontal line.

**Position in Company** Chairman

**Date:** 28 February 2022



## 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**

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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)

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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

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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.