



Australian Government
Department of Industry, Science,
Energy and Resources

Anti-Dumping Commission

Exporter Questionnaire

Case number: Accelerated Review 602

Product: Wind Towers

From: The People's Republic of China

Period of review: 1 January 2021 to 31 December 2021

Response due by: 21 April 2022

Email enquiries to: Investigations3@adcommission.gov.au

Anti-Dumping Commission website: 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
- 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

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 on onsite verification¹. 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

¹ 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.

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.
- 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.

CHECKLIST

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

Section	Please tick if you have responded to all questions												
Section A Company information	✓												
Section B Export sales to Australia	✓												
Section C Exported goods & like goods	✓												
<p>slight</p> <p>The goods sold in domestic market are onshore wind tower and offshore wind tower.</p> <p>1. Provide a detailed explanation of the differences those goods sold domestically (i.e. the like good explanation in glossary) are not identical to exported to Australia.</p> <table border="1"> <thead> <tr> <th>EXPORTED TYPE</th> <th>DOMESTIC TYPE</th> <th>IDENTICAL?</th> <th>DIFFERENCES</th> </tr> </thead> <tbody> <tr> <td>ONSHORE WIND TOWER</td> <td>ONSHORE WIND TOWER</td> <td>NO BUT CONSIDERED A LIKE PRODUCT</td> <td>As the Cor project own produced a to Australia export and characteris That is: - the produc - the physic - all onshor - all onshor</td> </tr> <tr> <td>N/A</td> <td>OFFSHORE WIND TOWER</td> <td>NO. NOT CONSIDERED LIKE PRODUCT</td> <td></td> </tr> </tbody> </table> <p>C-4 Internal product codes</p> <p>1. Does your company use product codes or stock keeping unit (SKU) codes? If yes:</p> <ul style="list-style-type: none"> (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 for the purpose of completing this questionnaire. (c) Provide a table of showing the product or SKU codes for each goods. <p>Penglai Dajin uses the product code for internal control. The product code will not repeat for projects as wind tower is a highly customized product as explained above.</p> <p>If no:</p>	EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES	ONSHORE WIND TOWER	ONSHORE WIND TOWER	NO BUT CONSIDERED A LIKE PRODUCT	As the Cor project own produced a to Australia export and characteris That is: - the produc - the physic - all onshor - all onshor	N/A	OFFSHORE WIND TOWER	NO. NOT CONSIDERED LIKE PRODUCT		✓
EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES										
ONSHORE WIND TOWER	ONSHORE WIND TOWER	NO BUT CONSIDERED A LIKE PRODUCT	As the Cor project own produced a to Australia export and characteris That is: - the produc - the physic - all onshor - all onshor										
N/A	OFFSHORE WIND TOWER	NO. NOT CONSIDERED LIKE PRODUCT											

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(a) Provide details on the method used to identify the goods in the sales and cost spreadsheets. Not applicable. 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	✓

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	✓
B-4 Upwards sales	✓
B-5 Upwards selling expenses	✓
D-2 Domestic sales	✓
F-2 Third country sales	✓
G-3 Domestic CTM	✓
G-4.1 SG&A listing	✓
G-4.2 Dom SG&A calculation	✓
G-5 Australian CTM	✓
G-7.2 Raw material CTM	✓
G-7.4 Raw material purchases	✓
G-8 Upwards costs	✓

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.

Tariff classifications

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:

The exporter of the subject goods Penglai Dajin Offshore Heavy Industry Co., Ltd. ("Penglai Dajin") provides the contact person within company as follows:

Name: XXXXXXXX
Position in the company: XXXXXXXX
Telephone: XXXXXXXX
E-mail address: XXXXXXXX

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

The representative Penglai Dajin appointed and their contact details are provided as follows:

Name: Mr John Bracic
Address: J.Bracic & Associates Pty Ltd
Telephone: +61 (0)499 056 729
E-mail address: john@jbracic.com.au

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

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

The location of where Penglai Dajin's financial records are held is Penglai Dajin's domicile, that is No.81 Zhenxing Road, Penglai Economic Development Zone.

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

The location of where Penglai Dajin's production records are held is Penglai Dajin's domicile, that is No.81 Zhenxing Road, Penglai Economic Development Zone.

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

The location of Penglai Dajin's production plant manufacturing the goods under consideration is Penglai Dajin's domicile, that is No.81 Zhenxing Road, Penglai Economic Development Zone.

A-2 Company information

1. What is the legal name of your business?

The legal name of our business is Penglai Dajin Offshore Heavy Industry Co., Ltd.

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

No, Penglai Dajin does not trade under a different name and/or brand.

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

Penglai Dajin once used "Penglai Dajin Heavy Industry Co.,Ltd." as its legal name from December 2009 to December 2011.

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

Please see Exhibit A-2.4 for the current board of directors as well as the changes in the last two years.

5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:
- (a) A diagram showing the complete ownership structure; and
 - (b) A list of all related companies and its functions

Please see Exhibit A-2.5 for the ownership structure and the related companies list of Pengla Dajin.

6. Is your company or parent company publically listed?
If yes, please provide:
- (a) The stock exchange where it is listed; and
 - (b) Any principle shareholders²
- If no, please provide:
- (a) A list of all principal shareholders and the shareholding percentages.

Penglai Dajin's sole parent company, Dajin Offshore Heavy Industry Co., Ltd(Dajin Offshore), is a publicly listed company on the Shenzhen Stock Exchange. The list of its principal shareholders is provided in Exhibit-2.6.

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

Penglai Dajin mainly produces wind towers (both onshore and offshore wind towers), jacket platforms and other offshore equipment for the global market and specializes in offshore wind power engineering construction and offshore equipment manufacturing.

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

Not applicable. Penglai Dajin could perform all the functions above in relation to the goods under consideration.

9. Provide your company's internal organisation chart.

Please see Exhibit A-2.9 for Penglai Dajin's internal organisation chart.

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

Please see Exhibit A-2.10 for the functions of each department within Penglai Dajin.

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

No. Penglai Dajin does not produce such documents.

A-3 General accounting information

1. What is your financial accounting period?

The financial accounting period for Penglai Dajin is January 1 to December 31.

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

Penglai Dajin's 2020 financial accounts are audited, the auditor is XXXXXXXX. Please refer to Exhibit A-4 for the 2020 audit report.

The Chinese version of 2021 audited financial report will be published on 27 April 2022. The English version of 2021 audited financial report will be published later on.

3. What currency are your accounts kept in?

The currency Penglai Dajin's accounts kept in is RMB.

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

The name of Penglai Dajin's financial accounting system is XXXXXXXX.

5. What is the name of your sales system?

Penglai Dajin does not have an independent sales system but uses the sales module of the accounting system XXXXXXXX to record their sales information.

6. What is the name of your production system?

Penglai Dajin does not have production system (MES) to record information incurred in each step of production process. While Penglai Dajin uses the cost module of the accounting system XXXXXXXX for cost management.

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.

Not applicable. As explained above, the system or module used by Penglai Dajin for accounting, sales and cost management is in the same software, XXXXXXXX.

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

No. Penglai Dajin's accounting practices are subjected to the generally accepted accounting principles in P.R. China.

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

Penglai Dajin may change the accounting practices and/or policies once the generally accepted accounting principles in P.R. China changes. For example, according to the new accounting principle in China, Penglai Dajin recorded the transportation freight fees in account XXXXXXXX, instead of the account XXXXXXXX as before due to the changes in accounting principle.

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 refer to Exhibit A-4.1 for the 2020 audit financial statement and 2021 unaudited financial statement. Penglai Dajin is still preparing the audit financial statement for 2021.

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.

Please refer to Exhibit A-4 for the audit opinion part of the audited report.

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

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- (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.

Not applicable as the financial statements are audited.

- 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.

No. Penglai Dajin does not maintain different profit centres.

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

Not applicable. The period is same as Penglai Dajin's financial period.

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

Please see Exhibit A-4.6 for Penglai Dajin's trial balance covering the period and the most recent financial year.

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

Please see Exhibit A-4.7 for Penglai Dajin's chart of accounts of general ledger.

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

Penglai Dajin has provided the translated version for documents that are not in English.

SECTION B
EXPORT SALES TO AUSTRALIA

B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and representatives (e.g. agents) including:
 - (a) Marketing and advertising activities
 - (b) Price determination and/or negotiation process
 - (c) Order placement process
 - (d) Order fulfilment process and lead time
 - (e) Delivery terms and process
 - (f) Invoicing process
 - (g) Payment terms and process

Please see Exhibit B-1.1 for the export sales process and detailed explanation of Penglai Dajin.

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?

The currency Penglai Dajin invoiced customer for goods exported to Australia is RMB, the local currency of Penglai Dajin. Therefore, the question B-1.2(a)-(c) are not applicable.

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, the customer of the goods exported to Australia is not related to Penglai Dajin.

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

Not applicable, the sales were not made in accordance with price lists or price extras list. Please note that the wind towers are highly customized products, and different from project to project. Therefore, the prices for all the wind towers are negotiated individually.

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.

No, Penglai Dajin's export selling prices do not vary according to the distribution channel identified. Penglai Dajin's sales module is the Direct sales to customer, not relying on the distribution channel.

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

No, Penglai Dajin did not 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.

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, Penglai Dajin did not issue any credit or debit notes to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period.

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?

Penglai Dajin claims the date of recognition of sales revenue in the accounting system as the date of sale.

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

The date of recognition of sales revenue is XXXXXXXXXXXXXXXXXXXXXXXX. Penglai Dajin believes that the date of recognition of sales revenue will best reflect the material terms of sale and therefore claims it as the date of sale.

B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"
- This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
 - 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*³.
 - 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.

Penglai Dajin has completed the worksheet B-2 Australian sales as required. Please find Exhibit B-2.

For export sales to Australia, Penglai Dajin only had one project during the POR and all revenues that being recognized have been reported in worksheet B-2.

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".

Penglai Dajin has completed the worksheet B-2.2 Australian sales source as required. Please find Exhibit B-2.

B-3 Sample export documents

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

³ Ministerial Exemption Instrument No. 2 2018 (2018/19) and Ministerial Exemption Instrument No. 5 of 2018 (ADN 2018/148)

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

Please refer to Exhibit B-3.1 for the sample export 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.

Please refer to B-2 Australian sales for sample sales which have been provided by Penglai Dajin.

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 refer to worksheet B-4 Upwards sales for reconciliation.

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 refer to Exhibit B-4.2 for the supporting documents.

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 refer to worksheet B-4 Upwards sales.

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 refer to worksheet B-5 Upwards selling expense. Please note that Penglai Dajin XXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXX. **[accounting treatment]**

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.

Please refer to tabs attached to Exhibit B-5.2 for the supporting documents.

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 refer to worksheet B-5 Upwards selling expense.

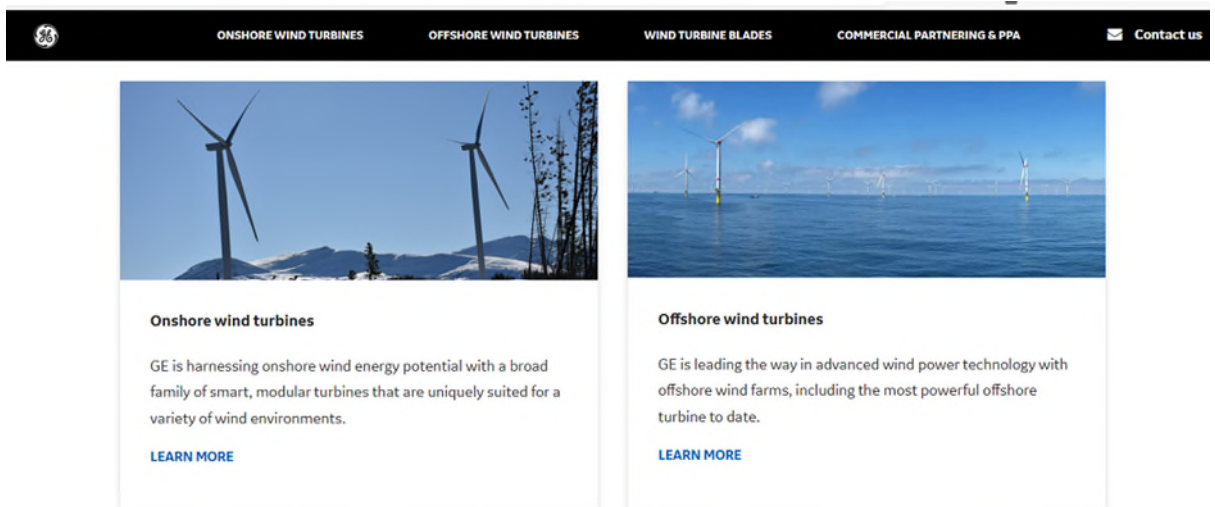
SECTION C
EXPORTED GOODS & LIKE GOODS

C-1 Differences in onshore and offshore models




1. Fully describe the differences between onshore and offshore wind towers. Include specification details and any technical and illustrative material that may be helpful in identifying the differences between onshore and offshore wind towers. Please include in your domestic and Australian sales listings whether the goods are onshore or offshore wind towers.

The difference between onshore and offshore wind towers are as follows. Penglai Dajin believes that these differences warrant the decision that offshore towers are not like product of onshore towers.




- (1) Onshore towers are significantly unlike the offshore towers in terms of the locations based on the ambient environment and technical assessments.
 - a) Namely speaking, Onshore towers are installed on the land area, while the offshore towers are installed in the ocean and seas. In the preliminary stage of the project development, to have a onshore/offshore windfarm has been assessed and decided by the investors based on their budget and ROI expectations. Therefore, once decided, the customer will start to order the components in order to achieve the development objectives of the Wind Farms. Hence if the onshore wind farm is to be developed, onshore towers are to be ordered and if offshore wind farm is to be developed, offshore towers are to be ordered. Definitely no replacement will happen once a project order has been made.
 - b) It should be noted only offshore wind towers could satisfy the wet environment requirement and work in the ocean even though the function for all wind towers is to generate power. The onshore wind tower, however, can not perform a similar function like the offshore wind towers when facing wet weather and high corrosion circumstance. Please see the below screenshot for the difference between onshore and offshore wind towers, they are installed on land and in the ocean respectively:



Our onshore wind power portfolio

		
<p>Siemens Gamesa 5.X SG 6.6-155</p>	<p>Siemens Gamesa 5.X SG 6.6-170</p>	<p>Siemens Gamesa 4.X SG 5.0-132</p>
<p>The SG 6.6-155 combines proven technology with excellent performance and reliability for medium and high wind sites onshore.</p>	<p>As a part of our Siemens Gamesa 5.X onshore platform, the SG 6.6-170 comes with high performance and proven reliability at medium and low wind.</p>	<p>This turbine is the high-wind variant of the Siemens Gamesa 4.X platform and known for its efficiency and reduced LCoE.</p>
<p>📏 155 m ⚙️ Geared</p>	<p>📏 170 m ⚙️ Geared</p>	<p>📏 132 m ⚙️ Geared</p>
<p>⚡ Up to 6.6 MW ⚙️ OptimaFlex</p>	<p>⚡ Up to 6.6 MW ⚙️ OptimaFlex</p>	<p>⚡ 5.0 MW ⚙️ OptimaFlex</p>
<p>Read More →</p>		

Our offshore wind power portfolio

		
<p>SG 8.0-167 DD Cost-efficiency for projects at sea</p>	<p>SG 11.0-200 DD More power for generations</p>	<p>SG 14-222 DD Strong winds of change</p>
<p>This offshore wind turbine with a nominal power of 8 MW reduces the risk for demanding projects at sea.</p>	<p>11 MW of power from proven technology makes the SG 11.0-200 DD the ideal choice for offshore wind.</p>	<p>The SG 14-222 DD is based on proven technology and will deliver safe and clean energy for a sustainable future.</p>
<p>🌊 I, S 📅 2019</p>	<p>🌊 I, S 📅 2022</p>	<p>🌊 I, S 📅 2024</p>
<p>📏 167 m ⚡ 8.0 MW</p>	<p>📏 200 m ⚡ 11.0 MW</p>	<p>📏 222 m ⚡ 14 MW</p>
<p>Read More →</p>	<p>Read More →</p>	<p>Read More →</p>

c) The market performance for the onshore wind tower and the offshore wind tower has also been different because they are not interchangeable. As the name suggests, only offshore wind towers could be used in the marine environment, while the onshore wind tower is designed for a relatively dry environment, therefore, they will not compete in one market. Penglai Dajin provides the market report on land-based wind tower and offshore wind tower issued by U.S. department of energy respectively in C-1.1. Penglai Dajin believes such documents could support the view that onshore wind tower and offshore wind tower are in two market segments and are not like products.

(2) Onshore towers are significantly unlike the offshore towers in terms of the **commercial uses**.

a) Onshore windtower and offshore windtower would not be identified as the same products by neither the customer or the supplier. As Penglai Dajin has mentioned in the application: *“the customers have an expectation of how the wind tower will be used. When placing orders, customers will express their preferences and opinions, which would be clearly specified either in the communications or in the technical specifications, and will provide the different instructions accordingly. So, from customers’ (like XXXXXXXX) and producers’ perspective, onshore/offshore wind towers are completely different.”* Please see below a XXXXXXXXXXXXXXXXXXXX. [correspondence]

[SCREENSHOT REMOVED]

b) On the other hand, the customer's choices can hardly be influenced by the price difference of onshore and offshore wind tower. Once determined, the customer would not change the

type of wind tower since it is a comprehensive consideration. For customers, it is a complex and careful question when considering to purchase and build a wind tower, which requires multiple round evaluations and strict scrutiny based on the actual requirements. While there may be many options during the pre-preparation process, once it gets to the procurement stage, it means they have already made a comprehensive assessment of the present situation and decided whether to purchase the onshore wind tower and the offshore wind tower. It is almost impossible for the customers to change the whole project construction and supporting facilities simply because the onshore tower is cheaper than the offshore tower.

- (3) Onshore towers are unlike the offshore towers in terms of **Physical Characteristics**.
- a) Onshore towers normally have a diameter range between 4.5m to 6.5m; whereas Offshore towers normally have a diameter range between 6m to 9m, which means offshore towers are basically bigger than onshore towers in terms of diameter. This difference is mainly due to the procurement and construction of an offshore wind farm is much higher than an onshore wind farm in consideration of the marine conditions, As stated before, the investors will evaluate the natural conditions before they enter into the ordering of the turbines. Offshore wind farms will have a faster and stronger wind speed say 9m/s, than onshore wind farms, say 4m/s. therefore, thus the developers will choose bigger wind turbines for offshore wind farms (eg 9.5MW and above per turbine) in order to get the investment back as early as practical. In comparison, Onshore wind farms normally have 2MW to 6MW per turbine can secure the developer a reasonable ROI. When the turbines are equipped with bigger MW, the bigger turbines are to be used for supporting them.
 - b) The weight of onshore towers are averagely 250 metric ton-450 metric ton per tower whereas offshore towers averagely 800 metric ton-1000 metric ton per tower. This also is attributed to the reasons stated above. Technically speaking, in order to ensure the stability of the turbine units, the vibration during operation is much bigger if the turbine is with bigger MW. Thus offshore towers are normally heavier than the onshore towers to offset such vibrations.
 - c) During the production progress, special anticorrosion standards are applied for the offshore wind tower. Please see Exhibit C-1.1 for the sample pages extract from the anticorrosion technology standard provided by customer which is based on XXXXXXXXXXXXXXXXXXXX **[certification]** for the offshore wind tower and onshore wind tower respectively. Both instructions provide that XXXXXXXXXXXXXXXXXXXX **[technical specifications]**, which applies to onshore and offshore tower respectively, and besides, apart from the paint, the offshore towers require additional zinc metallization to be sprayed as the first layer of the tower coating, which requires extra labor and cost.
- (4) Onshore towers are unlike the offshore towers in terms of **production process**.
- a) Due to the comparably bigger diameter and heavier weight, Offshore towers require extra tooling and fixtures during manufacturing process. Therefore, additional supporting steel/wires are to be purchased to ensure the ovality of the tower sections, otherwise, these big-diameter sections will be deformed. Whereas onshore towers does not need the additional support as their diameter is not big enough to go deformation.
 - b) As evidenced from the above statement, the ocean ambient environment is salty thus being more corrosive, Offshore Tower Coating Scheme require additional zinc metallization to be sprayed as the first layer of the tower coating, this is another major difference with the onshore towers.
 - c) Offshore towers have a more complicated systems of internal components, including dampers used for maintaining the stability of the turbines even in strong wind condition. Just like the pendulums installed in skyscrapers, these offshore towers also require such like-system to maintain the safety of the structures. Thus the mounting of the internals, especially the dampers, is a typically different process from the onshore towers. Penglai Dajin provides the sample drawing of onshore towers and offshore towers on in Exhibit C-1.1. It is clearly that for the same part, the onshore tower only need one page while the offshore tower need two pages due to the more complicated electric parts.
 - d) Apart from the above point, for offshore towers, additional electrical modules are required to be mounted and these components are typical to offshore towers based on the electrical graphics, thus need to be lifted and loaded by the Gantry Crane and delivered vertically onto the vessel and carry to the offshore wind farms. Whereas the onshore towers only needs to

be stacked onto the vessel. It is not required from the onshore towers to be delivered in a vertical way.

- (5) From Clients point of view, Offshore Towers needs specific factory audit by the clients as indeed they have more specific requirements and more differentiated standards in manufacturing the offshore towers. The offshore towers require an extra inspection. Before production, the customer will inspect the factory of the supplier, assess its ability and infrastructure on producing the offshore tower and make an inspection report for the offshore wind tower while such report would not be generated for the onshore wind tower. Please see Exhibit C-1.1 for the sample visit reports on the production evaluation of offshore wind tower made by one of the customers of Penglai Dajin, which expressed clearly “the purpose of the visit at Dajin was to evaluate the possibilities for offshore tower manufacturing for the global market”.

(6) Other considerations

In addition, Penglai Dajin respectfully requests the Commission to consider the exemption goods in the notice: *“The goods the subject of this exemption inquiry (the exemption goods) are certain wind tower sections, having all of the following characteristics specified in TCO TC 761480: (a) plate steel having a thickness of NOT less than 33 mm and NOT greater than 60 mm; (b) section length NOT less than 14,100 mm and NOT greater than 16,250 mm; (c) section weight NOT less than 60 metric tonnes and NOT greater than 105 metric tonnes; (d) diameter NOT less than 4,299 mm and NOT greater than 4,650 mm. The exemption goods are classified under tariff subheading 7308.90.00 (statistical code 49), in Schedule 3 of the Customs Tariff Act 1995 (the Tariff Act).”* It should be noted these exemption goods are mostly offshore wind towers.

C-2 Models exported to Australia

2. 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.

During the period, Penglai Dajin only exported onshore wind towers to Australia. Please refer to B-2 for the specification details.

The product is the tower kit for Australia, with XXX-meter height and X sections. It is XX hertz, standardized tower with XXX painting.

3. 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.

Penglai Dajin only exported the onshore wind tower to Australia during the period. The product code for the sale is XXXXXXXXXXXXXXXX.

C-3 Models sold in the domestic market

2. 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 refer to Specifications that have been included in worksheet D-2 for important technical information related to domestic sales.

3. 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. slight

The goods sold in domestic market are onshore wind tower and offshore wind tower.

4. 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.

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EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
ONSHORE WIND TOWER	ONSHORE WIND TOWER	NO BUT CONSIDERED A LIKE PRODUCT	As the Commission has previously established, the specification of each wind tower project is set by the project owner. As such, there are slight differences in the technical properties of the wind towers produced and sold for each project. As a result of these differences, the onshore wind towers exported to Australia and domestic onshore wind towers are not identical. Despite these technical differences, all export and domestic onshore wind towers are 'like' product in that they each possess the essential characteristics that define an onshore wind tower. That is: - the production method is similar; - the physical characteristics are similar; - all onshore wind towers are commercially like to each other; and - all onshore wind towers are functionally like to each other.
N/A	OFFSHORE WIND TOWER	NO. NOT CONSIDERED LIKE PRODUCT	

C-4 Internal product codes

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

Penglai Dajin uses the product code for internal control. The product code will not repeat for projects as wind tower is a highly customized product as explained above.

If no:

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

Not applicable.

**SECTION D
DOMESTIC SALES**

If your company did not sell like goods on the domestic market during the review period, please contact the commission as soon as possible. You may be required to complete this section (and G-3) as it relates to export sales to third countries. You may also be asked other supplementary questions. Extensions will not be granted as a result of delays in contacting the commission in this regard.

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

Please see Exhibit D-1.1 for the domestic sales process and detailed explanation of Penglai Dajin.

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.

During the POR, Penglai Dajin sold some products to its related company Dajin Offshore. The price which Penglai Dajin sold to Dajin Offshore is the same as Dajin Offshore's price to unrelated domestic customer.

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

Not applicable, the sales were not made in accordance with price lists or price extras list. Please note that the wind towers are highly customized products, and different from project to project. Therefore, the prices for all the wind towers are negotiated individually.

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.

No, Penglai Dajin's domestic selling prices do not vary according to the distribution channel identified.

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

No, Penglai Dajin did not provide any 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.

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, Penglai Dajin did not issue any credit or debit notes to the customer or associate of the customer in relation to the sale of the like goods during the period.

7. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:
 - (a) What date are you claiming as the date of sale?

Penglai Dajin claims the date of recognition of sales revenue in the accounting system as the date of sale.

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

The date of recognition of sales revenue is XXXXXXXXXXXXXXXXXXXX. Penglai Dajin believes that the date of recognition of sales revenue will best reflect the material terms of sale and therefore claims it as the date of sale.

D-2 Domestic sales listing

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

Penglai Dajin has completed the worksheet D-2 Domestic sales as required. Please find Exhibit D-2.

XX [Sales revenue accounting methodology]

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".

Penglai Dajin has completed the worksheet D-2.2 domestic sales source as required. Please find Exhibit D-2.2.

D-3 Sample domestic sales documents

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

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

Please refer to Exhibit D-3.1 for the sample domestic sales 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 refer to D-2 Domestic sales for sample sales which have been provided by Penglai Dajin.

D-4 Reconciliation of sales to financial accounts

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

Not applicable. Penglai Dajin has already 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; and
 - provide the account code and sub-account code (if applicable) at column E of the worksheet.

**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?

Please refer to the Exhibit D-2 for the sales payment term and the calculation method. The interest rate of short-term borrowing rate has also been provided in this Exhibit E-1.1.

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

The payment terms in the sales invoice of the goods exported to Australia is XXXXX. Therefore, Penglai Dajin reports the credit expenses for Australian sales. Please refer to Exhibit B-2 for the calculation method.

- (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
 - i. Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
 - ii. Do you have term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

Not applicable, the Australian customer did not pay in the foreign currency.

E-2 Packaging

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

There is no packaging for the domestic sales of like goods.

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

There is no packing for the export sales of the goods to Australia.

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 is no distinct differences in packaging between your domestic and export sales.

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?

Yes, Penglai Dajin delivered the goods as customer required. The transportation costs are calculated project-to-project. To be specific, Penglai Dajin will calculate all the transportation costs incurred in one project as well as the total quantity, and then calculate the one ton per RMB. The unit price for transportation cost multiply the quantity for each invoice is the transportation costs reported in the domestic sales listing in D-2.

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

The delivery term of the export sales of the goods to Australia is XXXXXX.

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

Penglai Dajin calculated XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX [export terms of sale]

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?

Penglai Dajin calculated XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX [export terms of sale]

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?

XXX [export terms of sale]

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?

XXX [export terms of sale]

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?

XXX [export terms of sale]

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, Penglai Dajin did not provide sales commission for domestic sales of like goods and/or export sales of the goods.

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

Not applicable. There is no differences in tax liability between domestic and export sales.

- 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?

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?
 - These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

Penglai Dajin claims the bidding service fee, handling fees, aftersales service fees, and transportation fees as direct selling expenses in relation to domestic sales of like goods. Please refer to Exhibit 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

Penglai Dajin claims the handling fees and aftersales service fees as direct selling expenses in relation to export sales of the goods to Australia. Please refer to Exhibit 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.

There is no any other adjustments required to ensure a fair comparison between the export price and the normal value.

**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. There is no different between the sales process to third country and the sales process described in B-1.1.

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, none of the third country customers is related to Penglai Dajin.

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?

Penglai Dajin claims the date of recognition of sales revenue in the accounting system as the date of sale.

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

The date of recognition of sales revenue is XXXXXXXXXXXXXXXXXXXXXXXX. Penglai Dajin believes that the date of recognition of sales revenue will best reflect the material terms of sale and therefore claims it as the date of sale.

F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
 - This worksheet lists all export sales, summarised by country, 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.

Penglai Dajin has completed the worksheet F-2 third country sales as required. Please find Exhibit F-2.

XX [Sales revenue accounting methodology]

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".

Penglai Dajin has completed the worksheet F-2.2 Third country sales source as required. Please find Exhibit F-2.2.

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 explained above, the wind towers are highly customized products based on the different demands of customers. The products may need to meet different technology requirements in different market. The sales price, sales term, product characteristics, and other aspects may be different accordingly.

But in general, Penglai Dajin believes that the onshore towers exported to third countries are like products with the ones exported to Australia.

**SECTION G
COST TO MAKE AND SELL**

G-1. Production process

1. Describe the production process for the goods and provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

Please refer to Exhibit G-1.1a for Penglai Dajin's production process chart. The detailed information of production process is listed in Exhibit G-1.1b.

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

Penglai Dajin purchases XX [related party transactions]

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

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example, assuming normal levels of maintenance and repair, a number of shifts and hours of operation that is not abnormally high, and a typical production mix.

Provide this information in the "G-1 Production" spreadsheet in the "Exporter Questionnaire – Attachment" Excel workbook.

Please refer to attachment "G-1 Production" for the information of production capacity and production volume.

G-2. Cost accounting practices

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

Penglai Dajin adopts actual cost method. XX
XXX
XXXXXXXXXXXXXXXXXXXX [cost accounting methodology]

2. If your company uses standard costs:
 - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?
 - (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
 - (c) How were those variances allocated?
 - (d) Provide details of any significant or unusual cost variances that occurred during the period.

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Penglai Dajin's cost accounting system is based on actual costs for completed projects. Thus, this question is not applicable.

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

Penglai Dajin has different cost centres in accounting system. Please see the lists in G-2.3.

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

Penglai Dajin records production cost based on each project. XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX [cost accounting methodology]

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

There are no any costs for management accounting purposes valued differently to financial accounting purposes. Thus, this question is not applicable.

6. Has your company engaged in any start-up operations in relation to the goods? If yes:
(a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
(b) State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

Penglai Dajin has not engaged in any start-up operation in relation to the goods.

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

Penglai Dajin adopts weighted average method of valuation for raw material, work-in-progress, and finished goods inventories.

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

There are no valuation methods for damaged or sub-standard goods .

9. 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 productions generated in relation to the goods under consideration.
Scrap will be sold directly using the tender method and recorded in the "scrap material" item in the other operating income account.

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

There is no such fee occurred in Penglai Dajin.

G-3 Cost to make on domestic market

1. 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.

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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		
Variable manufacturing costs		
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		
Fixed manufacturing costs		
Overheads		
Depreciation		
Finance charges		
Other costs		
Total cost to make		
Selling costs		
Administration and general costs		
Financial costs		
Delivery expenses		
Other costs		
Total cost to sell		
Total cost to make and sell		
Unit cost to make and sell		

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.

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Item (e.g. complete tower, embed)		
Model specification / product code		
Quantity		
Delivery date (actual or scheduled)		
Variable manufacturing costs		
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		
Fixed manufacturing costs		
Overheads		
Depreciation		
Finance charges		
Other costs		
Total cost to make		
Selling costs		
Administration and general costs		
Financial costs		
Delivery expenses		
Other costs		
Total cost to sell		
Total cost to make and sell		
Unit cost to make and sell		

Provide this information for all goods invoiced during the investigation period and for all goods the subject of a contract that was entered into during the investigation period, but invoiced or delivered outside of the investigation period. Where actual costs are not yet incurred, provide an estimate of these costs, for example, the estimate of the costs that formed the basis of your winning tender bid.

Provide this information for each unique unit of the goods contracted for sale or invoiced during the investigation period. 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 good.
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

Please see required worksheet in G-5 Australian CTMS.

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

Please see required worksheet in G-5.2 Australian CTM source.

3. 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.

Penglai Dajin adopts the same method to allocate the cost for goods of same model. Thus, there is no cost difference between goods sold to the domestic market and those sold for export.

4. 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.

Penglai Dajin' costs are calculated based on actual cost, therefore, there is no difference between the costs shown, and the costs as normally determined in accordance with your general accounting system.

5. 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.

The allocation method is the same as to the prior practice in Penglai Dajin.

G-6 Cost allocation method

1. What is the allocation method used to complete in G-3 domestic CTM and G-5 Australian CTM for:

- (a) Raw materials
- (b) Labour
- (c) Manufacturing overheads

(a) Raw materials

XX
XXXXXXXXXXXXXXXX

(b) Direct Labour

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX.

(c) Manufacturing overheads

XX
XX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

[cost allocation methodologies]

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

As shown on the screenshot of cost analysis sheet in G-6.2.1, the cost of project 20-20 reported in G-3 can be directly reconciled to the cost analysis sheet.

G-7 Major raw material costs

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

The major raw materials 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.

This question is not applicable. Penglai Dajin has not any material sourced as part of an integrated production process or sourced from a subsidiary company.

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.

Please see the proportion in Exhibit G-7.3.

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 worksheets named "G-7.4 Plate steel purchases" and "G-7.4 Flange steel 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.
 - 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.
 - Are any of the suppliers in "G-7.4 Plate steel purchases"/" G-7.4 Flange steel purchases" listings related to your company? If yes, please provide details on how the price is set.

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 see the required information in G-7.4.

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

Please see the required information in the last column of 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.

Please see the required information in G-7.6.a.

- (b) Reconcile the total value listed in "G-7.4 Plate steel purchases"/" G-7.4 Flange steel 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 the required information in G-7.6.b, Penglai Dajin provides a screenshot of trial balance sheet for material purchase.

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.

Please see the required information in G-8 Upwards costs.

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 the documents in G-8.2.

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 the documents in G-8 upward cost worksheet from column M to column P.

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.

Penglai Dajin adopts below processes to capture the production quantities:

(1)The technician in Penglai Dajin makes the breakdown weight table according to the drawing. Please see the Scanned copy of project 20-53 in G-9.1.1.

(2)Finance staff sets the unit weight into the system according to the breakdown table. Please see the screenshot of the weight in system in G-9.1.2.

(3)At last, Products are warehoused in sections according to the actual production quantity, and the number of section is multiplied by the unit weight to get the warehoused quantity (total weight), please see the screenshot of total actual weight in system in G-9.1.3.]

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.

- (1) After the manufacturing department completes the assembly, the inspection department tests the products and submits the report qualified documents to the finance department.
- (2) The finance department counts the production quantity according to the inspection reports and enters it into the system to generate the quantities of finished product into the warehouse, which contains the number of sections and weight, and the completed inspection receipts are kept by the finance department.

Since there are a total of 228 documents in the list of G-9.2.2, Penglai Dajin has selected the first six lines to provide scanned copies of inspection receipts, please see the documentations in G-9.2.1.

3. Briefly explain the reasons for any differences between:
- (c) the production quantities reported at worksheet “G-3 domestic CTM” and the sales volumes reported at worksheet “D-2 domestic sales”; and
 - (d) the production quantities reported at worksheet “G-5 Australian CTM” and the sales volumes reported at worksheet “B-2 Australian sales”.

XXX [explanation of production and inventory reporting]

There is no difference between the production quantities reported at worksheet “G-5 Australian CTM” and the sales volumes reported at worksheet “B-2 Australian sales”, please see the screenshot in G-9.3.2.

4. 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?

Penglai Dajin mainly takes production orders for monopiles and offshore towers, and after meeting the production demand of the above two products, Penglai Dajin will arrange the production of onshore towers with the residual capacity.

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

The times are determined by production order, which is not fixed.

EXPORTER'S DECLARATION

I hereby declare that.....(company)
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 :.....

Signature :.....

**Position in
Company** :.....

Date :.....

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; after sales services; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.*

Adjustments may also be required where the normal value is based on costs to make and sell.

Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Constructed value

In cases where prices paid for like goods sold in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, i.e. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs e.g. power, supplies, indirect labour and fixed costs e.g. factory rent, factory insurance, factory depreciation etc.

Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc. paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay

	customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

The period

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

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods or that, although not alike in all respects have characteristics closely resembling those of the goods. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based on all costs to make and sell the goods, and an amount for profit. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- . domestic sales of like goods;
- . sale of goods of the same general category by the exporter; or
- . sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.