



Exporter Questionnaire

Case number: 604

Product: 2,4-Dichlorophenoxyacetic acid (2,4-D)

From: The People's Republic of China (China)

Inquiry period: 1 April 2021 to 31 March 2022 (the period)

Response due by: 10 June 2022

Email enquiries to: investigations1@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.**

TABLE OF CONTENTS

TABLE OF CONTENTS	2
CHECKLIST.....	3
GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES	4
MODEL CONTROL CODE.....	5
SECTION A COMPANY INFORMATION	6
A-1 COMPANY REPRESENTATIVE AND LOCATION	6
A-2 COMPANY INFORMATION	6
A-3 GENERAL ACCOUNTING INFORMATION	8
A-4 FINANCIAL DOCUMENTS	9
SECTION B EXPORT SALES TO AUSTRALIA.....	11
B-1 AUSTRALIAN EXPORT SALES PROCESS	11
B-2 AUSTRALIAN SALES LISTING	14
B-3 SAMPLE EXPORT DOCUMENTS	14
B-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS.....	15
B-5 RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS.....	15
SECTION C EXPORTED GOODS & LIKE GOODS	17
C-1 MODELS EXPORTED TO AUSTRALIA	17
C-2 MODELS SOLD IN THE DOMESTIC MARKET	17
C-3 INTERNAL PRODUCT CODES	18
SECTION D DOMESTIC SALES.....	20
D-1 DOMESTIC SALES PROCESS	20
D-2 DOMESTIC SALES LISTING.....	21
D-3 SAMPLE DOMESTIC SALES DOCUMENTS	22
D-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS.....	22
D-5 RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS.....	23
SECTION E DUE ALLOWANCE	24
E-1 CREDIT EXPENSE	24
E-2 PACKAGING	24
E-3 DELIVERY	25
E-4 OTHER DIRECT SELLING EXPENSES.....	28
E-5 OTHER ADJUSTMENT CLAIMS	29
SECTION F THIRD COUNTRY SALES.....	30
F-1 THIRD COUNTRY SALES PROCESS	30
F-2 THIRD COUNTRY SALES LISTING	31
F-3 DIFFERENCES IN SALES TO THIRD COUNTRIES	32
SECTION G COST TO MAKE AND SELL.....	33
G-1. PRODUCTION PROCESS	33
G-2. COST ACCOUNTING PRACTICES.....	33
G-3 COST TO MAKE ON DOMESTIC MARKET	35
G-4 SELLING, GENERAL & ADMINISTRATION EXPENSES.....	35
G-5 COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA	36
G-6 COST ALLOCATION METHOD	36
G-7 MAJOR RAW MATERIAL COSTS	37
G-8 RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS	39
G-9 PRODUCTION VOLUME AND INVENTORY LEVELS	39
G-10 CAPACITY UTILISATION	41

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	<input checked="" type="checkbox"/>
Section B Export sales to Australia	<input checked="" type="checkbox"/>
Section C Exported goods & like goods	<input checked="" type="checkbox"/>
Section D Domestic sales	<input checked="" type="checkbox"/>
Section E Due allowance	<input checked="" type="checkbox"/>
Section F Third country sales	<input checked="" type="checkbox"/>
Section G Cost to make and sell	<input checked="" type="checkbox"/>
Error! Reference source not found.	<input checked="" type="checkbox"/>
Non-confidential version of this response	<input checked="" type="checkbox"/>

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	<input checked="" type="checkbox"/>
B-2.2 Australian sales source	<input checked="" type="checkbox"/>
B-4 Upwards sales	<input checked="" type="checkbox"/>
B-5 Upwards selling expenses	<input checked="" type="checkbox"/>
D-2 Domestic sales	<input checked="" type="checkbox"/>
D-2.2 domestic sales source	<input checked="" type="checkbox"/>
F-2 Third country sales	<input checked="" type="checkbox"/>
F-2.2 third country sale source	<input checked="" type="checkbox"/>
G-3 Domestic CTM	<input checked="" type="checkbox"/>
G-3.2 Domestic CTM source	<input checked="" type="checkbox"/>
G-4.1 SG&A listing	<input checked="" type="checkbox"/>
G-4.2 Dom SG&A calculation	<input checked="" type="checkbox"/>
G-5 Australian CTM	<input checked="" type="checkbox"/>
G-5.2 Australian CTM source	<input checked="" type="checkbox"/>
G-7.2 Raw material CTM	<input checked="" type="checkbox"/>
G-7.3 Raw Material CTM source	<input checked="" type="checkbox"/>
G-7.4 Raw material purchases	<input checked="" type="checkbox"/>
G-7.5 Source Data for G-7.4	<input checked="" type="checkbox"/>
G-8 Upwards costs	<input checked="" type="checkbox"/>
G-9 Production Volume and Inventory Levels	<input checked="" type="checkbox"/>
G-10 Capacity Utilisation	<input checked="" type="checkbox"/>

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

2,4-D is a selective herbicide exported to Australia from China, mainly in the forms of 2,4-D acid and 2,4-D ester.

The 2,4-D covered by the anti-dumping measures includes:

- Sodium salt;
- 2,4-D acid;
- 2,4-D intermediate products (salts and esters), including:
 - o iso butyl ester technical;
 - o ethyl ester technical;
 - o 2 ethyl hexyl ester technical;
 - o dimethylamine (DMA); and
 - o iso-propylamine (IPA);
- 2,4-D fully formulated products; and
- all other forms of 2,4-D.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995* (Cth):¹

Tariff classification (Schedule 3 of the <i>Customs Tariff Act 1995</i>)			
Tariff code	Statistical code	Unit	Description
2918.99.00	43	Kg	2,4-Dichlorophenoxyacetic acid (free acid) (2,4-D) (CAS 94-75-7)
2918.99.00	44	Kg	Salts and esters of 2,4-dichlorophenoxyacetic acid
2918.99.00	48	Kg	Other
3808.93.00	61	Kg	Herbicides, anti-sprouting products & plant-growth regulators, with a basis of 2,4-dichlorophenoxyacetic acid, its salts or esters, containing bromomethane or bromochloromethane, in forms for retail sale or as preparations or articles
3808.93.00	71	Kg	Herbicides, anti-sprouting products & plant-growth regulators, wholly of, or with basis of 2,4- dichlorophenoxyacetic acid, its salts or esters, in forms for retail sale or as preparations or articles
3808.93.00	79	Kg	Other ²

Table 1: Tariff classification³

¹ These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.

² This tariff classification is to capture products which contain 2,4-D and another herbicidal active ingredient.

³ Tariff classification 2918.99.00.48 was not included in the application as it now only applies to other carboxylic acids and not 2,4-D.

MODEL CONTROL CODE

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

Category	Sub-Category		Sales Data	Cost Data
Form (of 2,4-D) ⁴	T	Technical	Mandatory	Mandatory
	F	Formulation		
Product Type	A	Acid	Mandatory	Mandatory
	E	Esters		
	S	Amines/Salts		
	M	Mixtures ⁵		
Strength (of 2,4-D)	### ⁶	% (w/v) 2,4-D Acid	Mandatory	Mandatory

Table 2: Proposed MCC structure

In constructing a MCC, use a "-" between each category. For example: **F-E-80%** for formulated 2,4-D esters with 80% strength.

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

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

⁴ Technical 2,4-D: These are the active ingredient forms of 2,4-D that have herbicidal activity, but is not fit for use by end users. Note that amine/salt forms are rare as a saleable unit, as they are typically formed as part of the formulation process.

Formulation 2,4-D: These are the products that end users apply as herbicides, which contain an active ingredient form of 2,4-D.

⁵ 'Mixture' formulation category are for herbicide formulations which contain a second or third active ingredient along with the 2,4-D.

⁶ Use a separate identifier for the percentage strength of 2,4-D (% w/v) e.g. 62.5%, 68%, 70%, 72%, 80%. The commission may group certain categories of '% strength' in formulating a final MCC.

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:
Name: Ms. Fan Jun (Sandya Fan)
Position in the company: Head of Unit, Pacific Area Business Unit
Telephone: (+86) 531-88875231
E-mail address: Sandya_fan@rainbowchem.com
2. If you have appointed a representative, provide the their contact details:
Name: Zhong Lun Law Firm
Address: 22-31/F, South Tower of CP Center, 20 Jin He East Avenue,
Chaoyang District, Beijing100020, P.R China
Telephone: (+86) 10 5957 2288
E-mail address: liujianwei@zhonglun.com; lisi@zhonglun.com

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.

ANSWER:

The financial records are kept in No. 03001, Lujian Road, Binhai Economic Development Area, Weifang, Shandong, P.R. China.

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

ANSWER:

The production records are kept in No. 03001, Lujian Road, Binhai Economic Development Area, Weifang, Shandong, P.R. China.

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

ANSWER:

The production plant manufacturing the goods under consideration is located in No. 03001, Lujian Road, Binhai Economic Development Area, Weifang, Shandong, P.R. China.

A-2 Company information

1. What is the legal name of your business?

ANSWER:

The legal name of the Company is Shandong Weifang Rainbow Chemical Co., Ltd. (hereinafter referred to as "Rainbow Chemical" or "the Company").

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

ANSWER:

Rainbow Chemical does not trade under a different name or brand.

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

ANSWER:

Rainbow Chemical was not known by a different legal or trading name.

PUBLIC RECORD

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

ANSWER:

Please refer to [Exhibit A-2.4](#) for Rainbow Chemical's current board of directors. The board of directors has no change in the last two years.

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

ANSWER:

Please refer [Exhibit A-2.5.a](#) for Rainbow Chemical's complete ownership structure and [Exhibit A-2.5.b](#) for a list of all related companies and its functions.

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 shareholders⁷
- If no, please provide:
- (a) A list of all principal shareholders and the shareholding percentages.

ANSWER:

Rainbow Chemical was listed on Shenzhen Stock Exchange Growth Enterprise Market on July 28, 2021, with the stock code 301035. Please refer to [Exhibit A-2.6](#) for a list of all principle shareholders.

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.

ANSWER:

Rainbow Chemical mainly produced herbicides including 2,4-D. The products sold by the Company include different types of herbicides, insecticides and other products. The Company has built a complete industrial chain covering R&D and manufacturing of technical and formulation, as well as brands, channels, sales and services for the global market. Rainbow Chemical mainly sells the products in the foreign markets, including Brazil, Argentina, the United States, Mexico, Thailand, Colombia, South Africa, Australia, Russia, Paraguay and other Asia countries.

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.

ANSWER:

Rainbow Chemical itself performs the following functions in relation to the goods under consideration:

- (a) produce or manufacture
During the period, Rainbow Chemical is a producer of the goods under consideration.
- (b) sell in the domestic market
During the period, Rainbow Chemical sold the goods under consideration directly to its unrelated and related domestic customers.
- (c) export to Australia

⁷ 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.

PUBLIC RECORD

During the period, Rainbow Chemical exported the goods under consideration [Commercially Sensitive Information: detailed description of the process of Rainbow Chemical exporting the goods under consideration to Australia].

(d) export to countries other than Australia

As for the export to countries other than Australia, there are two export modes:

First, Rainbow Chemical [Commercially Sensitive Information: detailed description of the process of Rainbow Chemical exporting the like goods to countries other than Australia].

Second, Rainbow Chemical exports the goods under consideration [Commercially Sensitive Information: detailed description of the process of Rainbow Chemical exporting the like goods to countries other than Australia]. In this case, the whole export process is the same as the export mode to Australia during the period.

9. Provide your company's internal organisation chart.

ANSWER:

Please refer to [Exhibit A-2.9](#) for Rainbow Chemical's internal organisation chart.

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

ANSWER:

Please refer to [Exhibit A-2.10](#) for descriptions of the functions performed by each organisation group.

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

ANSWER:

Please refer to [Exhibit A-2.11](#) for Rainbow Chemical's product catalog for promotion.

A-3 General accounting information

1. What is your financial accounting period?

ANSWER:

Rainbow Chemical's financial accounting period is from January 1 to December 31.

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

ANSWER:

The 2021 financial accounts have been audited by auditors Zhang Lifa and Yin Zuoyong from Shanghai Shanghai Certified Public Accountants.

3. What currency are your accounts kept in?

ANSWER:

The account is kept in by Chinese Yuan (CNY).

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

ANSWER:

The name of Rainbow Chemical's financial accounting system is [Commercially Sensitive Information: the name of Rainbow Chemical's financial accounting system].

5. What is the name of your sales system?

ANSWER:

The name of Rainbow Chemical's sales system is [Commercially Sensitive Information: the name of Rainbow Chemical's sales system].

PUBLIC RECORD

6. What is the name of your production system?

ANSWER:

The name of Rainbow Chemical's production system is [Commercially Sensitive Information: the name of Rainbow Chemical's production system].

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

ANSWER:

As Rainbow Chemical's financial accounting, sales and production systems are all using [Commercially Sensitive Information: the name of Rainbow Chemical's financial accounting system, sales system and production system], this question is not applicable.

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

ANSWER:

The accounting practices of Rainbow Chemical do not differ with generally accepted accounting principles ("GAAP") in China. Rainbow Chemical's accounting practices are consistent with the GAAP of China.

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

ANSWER:

After the Ministry of Finance issued *Accounting Standards for Enterprises No. 21 – Leases (CaiKuai [2018] No.35)*, Rainbow Chemical decided to implement the above-mentioned new leasing standards from January 1, 2021 and change relevant accounting policies in accordance with the provisions of the new leasing standards. Please refer to part IV. 37 of Rainbow Chemical's 2021 audit report for details.

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 list below the name of each company for which you have provided financial documents.

Company 1 Name:
Company 2 Name:
Company 3 Name:

ANSWER:

Please refer to Exhibit A-4.1.a and Exhibit A-4.1.b for annual reports of 2020 and 2021 for Rainbow Chemical, Exhibit A-4.1.c for annual report of 2020 for [Commercially Sensitive Information: the name of Rainbow Chemical's related company] and Exhibit A-4.1.d for financial statements of 2021 for [Commercially Sensitive Information: the name of Rainbow Chemical's related company].

Company 1 Name: Shandong Weifang Rainbow Chemical Co., Ltd.

Company 2 Name: [Commercially Sensitive Information: the name of Rainbow Chemical's related company]

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

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

ANSWER:

PUBLIC RECORD

As of the date of submitting this Exporter Questionnaire response, [Commercially Sensitive Information: the name of Rainbow Chemical's related company] has not had its 2021 financial statement audited. Also, [Commercially Sensitive Information: the name of Rainbow Chemical's related company] does not have tax returns document for 2021 as it is only done after the audit is completed. Please refer to [Exhibit A-4.1.d](#) for the unaudited financial statements of [Commercially Sensitive Information: the name of Rainbow Chemical's related company] for 2021.

3. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods falls into for:
- (a) the most recent financial year; and
 - (b) the period.

ANSWER:

As Rainbow Chemical only maintains one profit centre, this question is not applicable.

4. If the period is different to your financial period, please provide for each company identified at A-4.1:
- (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.

ANSWER:

Rainbow Chemical's financial accounting period is from January 1 to December 31, which is different from the period. Please refer to [Exhibit A-4.4.a](#) and [Exhibit A-4.4.b](#) for the income statements of each company identified at A-4.1 covering 2021 and the period.

5. Please provide for each company identified at A-4.1 a copy of your company's trial balance (in Excel) covering the period and the most recent financial year.

ANSWER:

Please refer to [Exhibit A-4.5.a](#), [Exhibit A-4.5.b](#), [Exhibit A-4.5.c](#) and [Exhibit A-4.5.d](#) for the trial balance of each company identified at A-4.1 covering 2021 and the period.

6. Please provide your company's chart of accounts for each company identified in your response to A-4.1 (in Excel).

ANSWER:

Please refer to [Exhibit A-4.6.a](#) and [Exhibit A-4.6.b](#) for the chart of accounts of each company identified at A-4.1.

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

SECTION B EXPORT SALES TO AUSTRALIA

If your production of the goods was exported to Australia and/or any other country through a third party (intermediary) you are still required to complete this section (and G-5) as it relates to export sales to Australia and a country other than 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

ANSWER:

During the period, Rainbow Chemical exported the goods under consideration to Australia [Commercially Sensitive Information: detailed description of the process of Rainbow Chemical exporting the goods under consideration to Australia].

Please refer to the following chart for the functions and roles played by Rainbow Chemical and [Commercially Sensitive Information: the name of Rainbow Chemical's related company] in the corresponding export transactions. Please refer to Exhibit B-1.1 for detailed Australian export sales process chart.

[Commercially Sensitive Information: detailed description of the functions between Rainbow Chemical and its related company in the process of exporting to Australia].

2. Did your production and sale of the goods exported to Australia involve an intermediary or intermediaries?

ANSWER:

Yes. During the inquiry period, Rainbow Chemical exported the goods under consideration to Australia through [Commercially Sensitive Information: the name of intermediary].

IMPORTANT

You must complete this section regardless of your opinion on which entity is considered the exporter of the goods to Australia.

If yes, please answer or respond to the following;

- (a) **List** the name of each intermediary involved in the exportation.

ANSWER:

There is only one intermediary involved in the exportation named [Commercially Sensitive Information: the name of intermediary].

- (b) Identify any of the intermediaries a related entity, such as through, your parent company with subsidiaries, common ownership (directors/family members) or joint-ventures.

ANSWER:

[Commercially Sensitive Information: detailed description of the relationship between Rainbow Chemical and its intermediary].

- (c) Does the export of your goods to Australia involve selling those goods to the intermediary prior to or close to those goods leaving the port of export?

PUBLIC RECORD

ANSWER:

No. As stated in Question B-1, [Commercially Sensitive Information: detailed description of the functions of its intermediary in the process of exporting to Australia]. Therefore, Rainbow Chemical owned and controlled the goods until they are delivered to Australian customer.

- (d) What functions does the intermediary undertake in relation to the sales and/or export of the goods to Australia?

ANSWER:

As stated in Question B-1, [Commercially Sensitive Information: detailed description of the functions of its intermediary in the process of exporting to Australia].

- (e) List the exportation costs incurred by the intermediary?

ANSWER:

No exportation cost is incurred by [Commercially Sensitive Information: the name of Rainbow Chemical's intermediary]. All exportation costs incurred are borne by Rainbow Chemical.

- (f) Are the goods shipped to Australia via the port of export directly from your facility, or via a warehousing or staging location under the control of, or specified by, the intermediary?

ANSWER:

The goods are shipped directly from Rainbow Chemical's factory via the port of export to Australia.

- (g) If the sales of your goods exported to Australia involved an intermediary please report the relevant sales information in the Australian listing at B-2.

ANSWER:

Please refer to [Appendix B-2](#) for the information on intermediary.

IF your sales to the intermediary are on-sold by the intermediary in quantities that were not identical at the time you sold the goods to the intermediary please report relevant information at worksheet "B-2 Australian sales" to permit the sales of your goods to be traced through the financial records of the intermediary

ANSWER:

As the quantities sold by the intermediary is identical at the time Rainbow Chemical sold the goods to such intermediary, this question is not applicable.

3. 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?

ANSWER:

[Commercially Sensitive Information: detailed description of invoicing and payments between its related company and customers].

Rainbow Chemical invoices [Commercially Sensitive Information: the name of Rainbow Chemical's related company] in USD, which is not its local currency (i.e. CNY), [Commercially Sensitive Information: the name of Rainbow Chemical's related company] paid Rainbow Chemical into a foreign currency denominated, i.e. USD account. In other words:

(a) The good value is paid by [Commercially Sensitive Information: the name of Rainbow Chemical's related company] into Rainbow Chemical's foreign currency bank account.

PUBLIC RECORD

PUBLIC RECORD

Bank name: [Commercially Sensitive Information: the name of Rainbow Chemical's foreign currency bank account]

Account No.: [Commercially Sensitive Information: the account No.of Rainbow Chemical's foreign currency bank account]

Currency: USD

(b) Rainbow Chemical does not use forward contracts to lock in the foreign exchange rate relating to the export sales.

(c) The exchange rate in Rainbow Chemical's accounting system is based on the [Commercially Sensitive Information: the determination method used for exchange rate in Rainbow Chemical's accounting system] and is updated monthly. Please refer to Exhibit B-1.3 for the monthly exchange rate used by Rainbow Chemical.

4. 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.

ANSWER:

The Australian customer is unrelated to Rainbow Chemical.

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

ANSWER:

Rainbow Chemical does not issue any price lists to the Australian customer. The price is negotiated and finalized by purchase order.

6. 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.

ANSWER:

During the period, there is only one Australian customer. The export selling price did not vary according to the distribution channel.

7. 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.

ANSWER:

Rainbow Chemical does not provide any on-invoice discounts or off-invoice rebates in relation to the sale of the goods exported to Australia during the period.

8. 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.

ANSWER:

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

9. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

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

ANSWER:

Rainbow Chemical claims the purchase order date shall be taken as the date of sale. After reaching a sale contract with the customer, the customer places a purchase order at [Commercially Sensitive Information:

PUBLIC RECORD

the name of Rainbow Chemical's related company], and all material terms, including unit price, amount, payment terms and delivery terms were fixed at that moment and kept unchanged. It is therefore concluded that the purchase order date perfectly reflects the determination of the material terms by both parties and bind the rights and obligations of both parties.

B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"⁸
 - 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*.
 - 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.

ANSWER:

Please refer to [Appendix B-2](#) for the Australian sales.

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".

ANSWER:

Please refer to [Appendix B-2.2](#) for the Australian sales source.

B-3 Sample export documents

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

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

IMPORTANT

If you sold the goods to Australia via an intermediary please obtain and provide the above corresponding documents relating to the intermediary.

ANSWER:

Please refer to [Exhibit B-3.1.a](#) and [Exhibit B-3.1.b](#) for the requested export sales 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.

⁸ Referring to question B-1.2(g), if necessary use the B-2 Australian sales worksheet to separately report export sales by any relevant intermediary.

ANSWER:

The information and data in the “B-2 Australian sales” listing are marked with red boxes in the provided export sale documents for reconciliation purpose. Please refer to [Exhibit B-3.1.a](#) and [Exhibit B-3.1.b](#) for the export sale documents.

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.

If you exported the goods to Australia via an intermediary or third party and if the information is available to you, please detail the sales information relevant to the intermediary or third party as provided for in “B-4 Upwards sales”.

- 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.
- State the source of the data as required by columns D and E of the worksheet.

ANSWER:

Please refer to [Appendix B-4](#) Upwards sales which demonstrates that the sales listings in B-2, D-2 and F-2 are complete.

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.

ANSWER:

Please refer to [Exhibit B-4.2.1](#) and [Exhibit B-4.2.2](#) for all documents required to complete “B-4 Upwards sales” worksheet.

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.

ANSWER:

All hard coded amounts sources and notes are indicated in “B-4 Upwards sales” in red font.

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.

If you exported the goods to Australia via an intermediary or third party and if the information is available to you, please detail the selling expenses incurred by the intermediary or third party as provided for in “B-5 Upwards selling expense”.

- 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.
- State the source of the data as required by columns D and E of the worksheet.

ANSWER:

Please refer to [Appendix B-5](#) Upwards selling expense which demonstrates that the direct selling expenses in B-2 and D-2 are complete.

PUBLIC RECORD

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.

ANSWER:

There are no other documents to provide. Please refer to [Appendix B-5](#) Upwards selling expense for source worksheet.

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.

ANSWER:

All hard coded amounts sources and notes are indicated in “B-5 Upwards selling expense” in red font.

SECTION C EXPORTED GOODS & LIKE GOODS

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

C-1 Models exported to Australia

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

ANSWER:

The goods exported by Rainbow Chemical to Australia during the period is as follows:

Product Form	Product Code	Product Description
[Commercially Sensitive Information: specific product form]	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
[Commercially Sensitive Information: specific product form]	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
[Commercially Sensitive Information: specific product form]	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]

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

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

ANSWER:

For goods exported to Australia listing in the [Appendix B-2](#) Australian sales, there is only one MCC constructed, i.e. F-M-30%.

C-2 Models sold in the domestic market

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

ANSWER:

The like goods sold by Rainbow Chemical on the domestic market during the period is as follows:

Product Form	Product Code	Product Description
[Commercially Sensitive Information: specific product form]	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
[Commercially Sensitive Information: specific product form]	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]

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

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

ANSWER:

For like goods sold on the domestic market listing in the [Appendix D-2](#) Domestic sales, there is two MCCs constructed, i.e. T-E-63.7% and T-A-97%.

C-3 Internal product codes

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

ANSWER:

Rainbow Chemical uses internal product codes for recording the goods.

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.

ANSWER:

The structure of the product coding system of the goods is as follows:

- (a) Technical
- Active ingredient
 - Existence form
 - Content
 - Product type

Take [Commercially Sensitive Information: specific internal product code] as an example:

Item	Product code	Product code description
Active ingredient	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Existence form	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Content (of existence form)	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Product type	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]

Take [Commercially Sensitive Information: specific internal product code] as an example:

Item	Product code	Product code description
Active ingredient	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Content (of active ingredient)	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Product type	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]

- (b) Formulation
- Active ingredient
 - Existence form of salt
 - Content
 - Product type

In the case of mixed formulation, the information on the active ingredients shall be listed separately.

Take [Commercially Sensitive Information: specific internal product code] as an example:

Item	Product code	Product code description
Active ingredient 1	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Existence form of salt 1	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Content 1	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Active ingredient 2	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Existence form of salt 2	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]

PUBLIC RECORD

Content 2	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]
Product type	[Commercially Sensitive Information: specific product code]	[Commercially Sensitive Information: specific product description]

- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.

ANSWER:

The information in the internal product code does not provide all necessary information required for construction of MCC, in that case, Rainbow Chemical resorted technical, sales and financial documents.

- (c) Provide a table of showing the product or SKU codes for each MCC.

ANSWER:

Product code	MCC
[Commercially Sensitive Information: specific product code]	F-M-30%
[Commercially Sensitive Information: specific product code]	T-E-63.7%
[Commercially Sensitive Information: specific product code]	T-A-97%

If no:

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

SECTION D DOMESTIC SALES

D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:
 - (a) Marketing and advertising activities
 - (b) Price determination and/or negotiation process
 - (c) Order placement process
 - (d) Order fulfilment process and lead time
 - (e) Delivery terms and process
 - (f) Invoicing process
 - (g) Payment terms and process
 - (h) agency agreements or contractual arrangement governing the conduct of the parties to the sale

ANSWER:

All like goods are directly sold to unrelated and related domestic customers during the period. The prices of like goods are negotiated with customers on a transaction-by-transaction basis. The lead times are various due to different sale orders. Generally speaking, it takes about [Commercially Sensitive Information: days of lead time] days from placing an order to shipping. The delivery terms were "[Commercially Sensitive Information: delivery term for domestic sales]" and "[Commercially Sensitive Information: delivery term for domestic sales]". All payments for goods were made [Commercially Sensitive Information: payment term for domestic sales] or [Commercially Sensitive Information: payment term for domestic sales]. Rainbow Chemical will sign Sales Contracts with customers, which include product specifications, quantity, value, transportation method, packaging standards, liability for breach of contract, etc.

Please refer to [Exhibit D-1.1](#) for a detailed domestic sales process chart.

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.

ANSWER:

There is only one related domestic customer named [Commercially Sensitive Information: the name of Rainbow Chemical's related domestic customer]. The sales price of both parties is determined according to the market price and the price of raw materials.

3. Did your production and sale of the like goods sold in your domestic market involve an intermediary or intermediaries?

ANSWER:

No, all like goods are directly sold to unrelated and related domestic customers during the period.

IMPORTANT

You must complete this section regardless of your opinion on which entity is considered the exporter of the goods to Australia.

If yes, please answer or respond to the following;

- (a) **List** the name of each intermediary involved in the domestic sales.
- (b) Identify any of the intermediaries a related entity, such as through, your parent company with subsidiaries, common ownership (directors/family members) or joint-ventures.
- (c) What functions does the intermediary undertake in relation to the sales of like goods?
- (d) List any direct selling expenses that may be incurred by the intermediary in effecting the sale?
- (e) Are the like goods shipped to the final customer directly from your facility, or via a warehousing or staging location under the control of, or specified by, the intermediary?
- (f) If the sales of your like goods involved an intermediary please report the relevant sales information in the domestic listing at worksheet "D-2 Domestic sales"

PUBLIC RECORD

IF your sales to the intermediary are on-sold by the intermediary in quantities that were not identical at the time you sold the like goods to the intermediary please report relevant information at worksheet “D-2 Domestic sales” to permit the sales of your goods to be traced through the financial records of the intermediary.

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

ANSWER:

Rainbow Chemical does not issue any price lists to domestic customers. The price is negotiated and finalized by order.

5. 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.

ANSWER:

The domestic selling prices did not vary according to the distribution channel.

6. 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.

ANSWER:

Rainbow Chemical does not provide any on-invoice discounts or off-invoice rebates in relation to the sale of the like goods 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 like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

ANSWER:

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

8. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

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

ANSWER:

Rainbow Chemical claims the date of sales contract should be taken as the date of sale. When reaching a sale contract, in a standard pre-formatted pattern titled Purchase and Sale contract, with the customers, all material terms, including unit price, amount, payment terms, delivery terms, etc., have been confirmed. When the sale contract is concluded, the customers usually do not need place purchase order in addition to the contract as the contract already reflects the determined material terms by both parties. For Rainbow Chemical’s domestic sales throughout the whole sales process, these material terms remain unchanged and bind the rights and obligations of both parties.

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-1.9 and/or D-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.

PUBLIC RECORD

- 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.

IMPORTANT

If you sold the like goods on your domestic market via an intermediary please report the information required in worksheet “D-2 domestic sales”.

ANSWER:

Please refer to [Appendix D-2](#) for the Domestic sales.

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”.

ANSWER:

Please refer to [Appendix D-2.2](#) for the Domestic sales source.

D-3 Sample domestic sales documents

1. Select the two largest invoices by invoice 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.

IMPORTANT

If you sold the like goods on your domestic market via an intermediary please obtain and provide the above corresponding documents relating to the intermediary

ANSWER:

Please refer to [Exhibit D-3.1.a](#) and [Exhibit D-3.1.b](#) for the requested 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.

ANSWER:

The information/figures in relevant lines of the “D-2 Domestic sales” listing are marked with red boxes in the provided domestic sale documents for reconciliation purpose. Please refer to [Exhibit D-3.1.a](#) and [Exhibit D-3.1.b](#) for the domestic sale documents.

D-4 Reconciliation of sales to financial accounts

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

ANSWER:

Please refer to the completed section B-4 for the required information.

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in D-2 and F-2 are complete.

PUBLIC RECORD

If you sold like goods on the domestic market via an intermediary or third party and if the information is available to you, please detail the sales information relevant to the intermediary or third party as provided for in “B-4 Upwards sales”.

- 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.
 - State the source of the data as required by columns D and E of the worksheet
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.

D-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) reported in B-2 and D-2 are complete.

If you sold like goods on the domestic market via an intermediary or third party and if the information is available to you, please detail the sales information relevant to the intermediary or third party as provided for in “B-5 Upwards selling expenses”.

- 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.
- State the source of the data as required by columns D and E of the worksheet.

ANSWER:

Please refer to [Appendix B-5](#) Upwards selling expense which demonstrates that the direct selling expenses in B-2 and D-2 are complete.

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.

ANSWER:

There are no other documents to provide. Please refer to [Appendix B-5](#) Upwards selling expense for source worksheet.

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.

ANSWER:

All hard coded amounts sources and notes are indicated in “B-5 Upwards selling expense” in red font.

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?

ANSWER:

Rainbow Chemical does not provide credit to domestic customers in relation to sales of like goods.

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

ANSWER:

During the period, [Commercially Sensitive Information: payment term for export to Australia] is specified as the payment term at the time of sale. There was no rolling credit facility provided.

- (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?

ANSWER:

As explained above, Australian customers will [Commercially Sensitive Information: detailed description of payments method between Rainbow Chemical's related company and Australian customers]. Then [Commercially Sensitive Information: the name of Rainbow Chemical's related company] pays such USD amount to Rainbow Chemical's foreign currency account (i.e. USD).

During the period, Rainbow Chemical had a USD short-term borrowing rate of [Commercially Sensitive Information: the rate of Rainbow Chemical's USD short-term borrowing].

E-2 Packaging

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

ANSWER:

Like goods sold in domestic market are usually packaged in the following methods:
[Commercially Sensitive Information: the packaging methods used for domestic sales].

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

ANSWER:

The goods exports to Australia are usually packaged in [Commercially Sensitive Information: the packaging method used for export sales of the goods to Australia] or [Commercially Sensitive Information: the packaging method used for export sales of the goods to Australia].

3. If there are distinct differences in packaging between your domestic and export sales:

- (a) Provide detail the differences between the packaging used for your domestic and Australian sales.

ANSWER:

The main difference is that Australian sales were packaged with [Commercially Sensitive Information: the packaging method used for export sales of the goods to Australia] or [Commercially Sensitive Information: the packaging method used for export sales of the goods to Australia], whereas domestic sales involved a mixture of [Commercially Sensitive Information: the packaging methods used for domestic sales].

- (b) Calculate the weighted average packaging cost for each model sold on the domestic market in worksheet "E-2.3 Packing Costs" ensuring to cross reference the source of the data from your accounting records (worksheet "D-2.2 Domestic sales source" refers).

ANSWER:

Since all domestic sales packing costs are reported in Appendix G-3 Domestic CTM, and all Australian sales packing costs are reported in Appendix G-5 Australian CTM, the Company submits that the packing costs is part of the Company's costs of manufacture, for purpose for dumping calculation, especially when the Commission resort a constructed normal value method, the packing costs shall NOT be removed from the sales prices (that's why we do not report packing cost in Appendix B-2 Australian sales and in Appendix D-2 Domestic sales), and no adjustment is needed because the costs of production for domestic sales and export sales have already included their respective packing costs, which will, inturn, be used in construction the normal value.

- (c) Calculate the weighted average packaging cost for each model exported to Australia in worksheet "E-2.3 Packing Costs" ensuring to cross reference the source of the data from your accounting records (worksheet "B-2.2 Australian sales source" refers)

ANSWER:

For the reasons discussed above, i.e. all Domestic Packing Costs are reported in Appendix G-3 Domestic CTM and all Australian Packing Costs are reported in Appendix G-5 Australian CTM, and for purpuse of fair comparison and dumping calculation, no such packing costs shall be removed from sales revenue and no adjustment is needed, therefore worksheet "E-2.3 Packing Costs" is left blank.

E-3 Delivery

1. Are any domestic sales of like goods delivered to the customer?

- (a) If yes, how did you calculate the transportation costs reported in the domestic sales listing in D-2?

ANSWER:

During the period, for [Commercially Sensitive Information: delivery term for domestic sales], the transportation costs in the domestic sales listing in D-2 were reported based on the actual expenses incurred.

PUBLIC RECORD

- (b) Provide workings as confidential exhibit E-3.1 and cross reference relevant data sources consistent with your response to worksheet “D-2.2 domestic sales source” and “B-5 Upwards selling expense”.

ANSWER:

The transportation costs in domestic sales were reported based on the actual expenses incurred, and such costs are marked with red boxes in the provided domestic sale documents for reconciliation purpose. Please refer to [Exhibit D-3.1.a](#) and [Exhibit D-3.1.b](#) for the domestic sale documents.

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

If you export the goods through an intermediary or third party what were the delivery terms relating to the intermediary or third party?

Please state all forms of delivery terms. Delivery terms reported in the Australian sales listing in B-2 will be validated against the source documentation relevant to your Australian sales

ANSWER:

During the period, the goods exported to Australia were delivered directly to Australia by the Rainbow Chemical on CIF term.

- 3. Do the delivery terms of your Australian sales include charges relating to transport to the port export?
 - (a) If yes, identify the entity that incurred the expense.

ANSWER:

Yes, the delivery terms of Australian sales include charges relating to transport to the port export, which was incurred and undertaken by Rainbow Chemical.

- (b) How did you calculate the inland transport charges to the port of export reported in the Australian sales listing in B-2?

ANSWER:

The inland transport charges to the port of export in the Australian sales listing in B-2 were reported based on the actual expenses incurred.

- (c) Provide workings as confidential exhibit E-3.3 and cross reference relevant data sources consistent with your response to worksheet “B-2.2 Australian sales source” and “B-5 Upwards selling expense”.

ANSWER:

The inland transport charges to the port of export were reported based on the actual expenses incurred, and such charges are marked with red boxes in the provided export sale documents for reconciliation purpose. Please refer to [Exhibit B-3.1.a](#) and [Exhibit B-3.1.b](#) for the export sale documents.

- 4. Do the delivery terms of your Australian sales include charges relating to the port of export?
 - (a) If yes, identify the entity that incurred the expense.

ANSWER:

Yes, the delivery terms of Australian sales include charges relating to the port of export, which was incurred and undertaken by Rainbow Chemical.

- (b) How did you calculate the port charges reported in the Australian sales listing in B-2?

ANSWER:

The port charges in the Australian sales listing in B-2 were reported based on the actual expenses incurred.

PUBLIC RECORD

- (c) Provide workings as confidential exhibit E-3.4 and cross reference relevant data sources consistent with your response to worksheet “B-2.2 Australian sales source” and “B-5 Upwards selling expense”.

ANSWER:

The port charges were reported based on the actual expenses incurred, and such charges are marked with red boxes in the provided export sale documents for reconciliation purpose. Please refer to [Exhibit B-3.1.a](#) and [Exhibit B-3.1.b](#) for the export sale documents.

- 5. Do the delivery terms of your Australian sales include charges for ocean freight?

- (a) If yes, identify the entity that incurred the expense.

ANSWER:

Yes, the delivery terms of Australian sales include charges for ocean freight, which was incurred and undertaken by Rainbow Chemical.

- (b) How did you calculate the ocean freight expenses reported in the Australian sales listing in B-2?

ANSWER:

The ocean freight expenses in the Australian sales listing in B-2 were reported based on the actual expenses incurred.

- (c) Provide workings as confidential exhibit E-3.5 and cross reference relevant data sources consistent with your response to worksheet “B-2.2 Australian sales source” and “B-5 Upwards selling expense”.

ANSWER:

The ocean freight expenses were reported based on the actual expenses incurred, and such expenses are marked with red boxes in the provided export sale documents for reconciliation purpose. Please refer to [Exhibit B-3.1.a](#) and [Exhibit B-3.1.b](#) for the export sale documents.

- 6. Do the delivery terms of your Australian sales includes charges for marine insurance?

- (a) If yes, identify the entity that incurred the expense.

ANSWER:

Yes, the delivery terms of Australian sales include charges for marine insurance, which was incurred and undertaken by Rainbow Chemical.

- (b) How did you calculate the marine insurance expenses reported in the Australian sales listing in B-2?

ANSWER:

The marine insurance expenses in the Australian sales listing in B-2 were reported based on the actual expenses incurred.

- (c) Provide workings as confidential exhibit E-3.6 and cross reference relevant data sources consistent with your response to worksheet “B-2.2 Australian sales source” and “B-5 Upwards selling expense”.

ANSWER:

The marine insurance were reported based on the actual expenses incurred, and such expenses are marked with red boxes in the provided export sale documents for reconciliation purpose. Please refer to [Exhibit B-3.1.a](#) and [Exhibit B-3.1.b](#) for the export sale documents.

PUBLIC RECORD

7. Do the delivery terms of your Australian sales include Australian importation expenses and costs associated with the delivery to the Australian customer?
 - (a) If yes, identify the entity that incurred the expense.
 - (b) How did you calculate the Australian importation expenses and costs associated with the delivery to the Australian customer reported in the Australian sales listing in B-2?
 - (c) If NO, is the Australian customer compensated, reimbursed or otherwise to offset or cover the cost of Australian importation expenses and costs associated with the delivery to the Australian customer;
 - (d) Provide workings as confidential exhibit E-3.7 and cross reference relevant data sources consistent with your response to worksheet “B-2.2 Australian sales source” and “B-5 Upwards selling expense”.

ANSWER:

The delivery term of Rainbow Chemical's Australian sales does not include Australian importation expenses or costs associated with the delivery to the Australian customer.

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.

ANSWER:

Rainbow Chemical does not provide sales commissions for domestic sales of like goods or export sales of the goods.

2. Are there any differences in tax liability between domestic and export sales? (e.g. Goods and Services Tax (GST), Value Added Tax (VAT) or any other form of taxation that exists between domestic and export sales?) If yes, provide details, for example:

- What is the rate of VAT on sales of the goods and like goods?

ANSWER:

9% VAT rate is applicable for domestic sales of like goods. As a common international practice in international trade, VAT rate is not applicable for export sales of goods. That is, VAT of selling the exported goods is 0%.

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

ANSWER:

The VAT in relation to sales of the like goods is recorded in Account Name [Commercially Sensitive Information: account name used to record VAT related to sales of the like goods] under Account Code [Commercially Sensitive Information: account No. used to record VAT related to sales of the like goods]. VAT is not applicable for exporting the goods.

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

ANSWER:

Yes, Rainbow Chemical receives a VAT refund in relation to sales of the goods. The VAT refund rate of the goods is 9%.

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

ANSWER:

As Rainbow Chemical does not purchase any imported raw materials in the productions of the goods or like goods, this question is not applicable.

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

If yes, please specify each expense item below.

NOTE: Direct selling expenses identified in response to this question must be reported in the Australian sales listing at worksheet "B 2 Australian sales" and included in the reconciliation of direct selling expenses in B-5.

ANSWER:

There is no other direct selling expense incurred by Rainbow Chemical in relation to domestic sales of like goods.

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

If yes, please specify each expense item below.

NOTE: Direct selling expenses identified in response this question must be reported in the Domestic sales listing at worksheet "D 2 Domestic sales" and included in the reconciliation of direct selling expenses in B-5.

ANSWER:

There is no other direct selling expense incurred by Rainbow Chemical in relation to export sales of the goods to Australia.

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.

ANSWER:

There is no other adjustments claimed by Rainbow Chemical.

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.

ANSWER:

During the period, Rainbow Chemical exported the goods under consideration to third countries in two different ways.

First, Rainbow Chemical [Commercially Sensitive Information: detailed description of the process of Rainbow Chemical exporting the like goods to countries other than Australia].

Second, Rainbow Chemical exports the goods under consideration [Commercially Sensitive Information: detailed description of the process of Rainbow Chemical exporting the like goods to countries other than Australia]. In this case, the whole export process is the same as the export mode to Australia during the period.

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.

ANSWER:

The related third country customers are as follows. The sales price of both parties is determined according to the market price and the price of raw materials.

[Commercially Sensitive Information: names of the related third country customers].

3. Do your third country sales involve the use of a third party or intermediary?

ANSWER:

Yes. During the period, Rainbow Chemical exported some of the goods under consideration to third countries through [Commercially Sensitive Information: names of intermediaries].

If yes, please answer or respond to the following;

- (a) **List** the name of each intermediary involved in the exportation.

ANSWER:

During the period, Rainbow Chemical exported some of the goods under consideration to third countries through [Commercially Sensitive Information: names of intermediaries].

- (b) Identify any of the intermediaries a related entity, such as through, your parent company with subsidiaries, common ownership (directors/family members) or joint-ventures.

ANSWER:

[Commercially Sensitive Information: detailed description of the relationship between Rainbow Chemical and its intermediaries].

- (c) Does the export of your goods to third countries involve selling those goods to the intermediary prior to or close to those goods leaving the port of export?

ANSWER:

No. [Commercially Sensitive Information: detailed description of the functions of its intermediaries in the process of exporting to countries other than Australia]. Therefore, ownership of the goods remains with Rainbow Chemical until they are delivered to customers in third countries.

- (d) What functions does the intermediary undertake in relation to the sales and/or export of the goods to third countries?

ANSWER:

As stated above, [Commercially Sensitive Information: detailed description of the functions of its intermediaries in the process of exporting to countries other than Australia].

- (e) List the exportation costs incurred by the intermediary?

ANSWER:

[Commercially Sensitive Information: names of Rainbow Chemical's intermediaries] does not incur any exportation cost. All exportation costs incurred are borne by Rainbow Chemical.

- (f) Are the goods shipped to third countries via the port of export directly from your facility, or via a warehousing or staging location under the control of, or specified by, the intermediary?

ANSWER:

The goods are shipped directly from Rainbow Chemical's factory via the port of export to third countries.

- (g) If the sales of your goods exported to third countries involved an intermediary please report the relevant sales information in worksheet "F-2 Third country sales".

ANSWER:

Please refer to [Appendix F-2](#) for the information on intermediary.

If your sales to the intermediary are on-sold by the intermediary in quantities that were not identical at the time you sold the goods to the intermediary please report relevant information at worksheet "F-2 Third country sales" to permit the sales of your goods to be traced through the financial records of the intermediary.

ANSWER:

As the quantities sold by the intermediaries are identical at the time Rainbow Chemical sold the goods to such intermediary, this question is not applicable.

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

ANSWER:

Rainbow Chemical claims the purchase order date shall be taken as the date of sale. After reaching a sale contract with the customers, the customers place orders at [Commercially Sensitive Information: names of Rainbow Chemical's intermediaries] or Rainbow Chemical, and all material terms, including unit price, amount, payment terms and delivery terms were fixed at that moment and kept unchanged. It is therefore concluded that the purchase order date perfectly reflects the determination of the material terms by the and bind the rights and obligations of the parties.

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 and MCC, 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.

ANSWER:

Please refer to [Appendix F-2](#) for the Third country sales.

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

ANSWER:

Please refer to [Appendix F-2.2](#) for the third country sales source.

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.

ANSWER:

There is no difference in sales to third countries which affects the comparison to export sales to Australia.

SECTION G COST TO MAKE AND SELL

G-1. Production process

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

ANSWER:

Please refer to [Exhibit G-1.1](#) for Production Process Chart. No scrap or by-products is generated during the production process of the goods. The same production facilities used for the goods can also be used to manufacture [Commercially Sensitive Information: names of Rainbow Chemical's products], etc.

- 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.

ANSWER:

[Commercially Sensitive Information: name of Rainbow Chemical's related supplier] is a supplier related to Rainbow Chemical, it produces and provides us [Commercially Sensitive Information: names of products supplied] and other goods/materials, please see below list of goods/material manufactured and supplied by this related company.

Product sold	Input used	Name of related supplier
[Commercially Sensitive Information: names of products supplied]	[Commercially Sensitive Information: names of input used]	[Commercially Sensitive Information: name of Rainbow Chemical's related supplier]
[Commercially Sensitive Information: names of products supplied]	[Commercially Sensitive Information: names of input used]	[Commercially Sensitive Information: name of Rainbow Chemical's related supplier]
[Commercially Sensitive Information: names of products supplied]	[Commercially Sensitive Information: names of input used]	[Commercially Sensitive Information: name of Rainbow Chemical's related supplier]
[Commercially Sensitive Information: names of products supplied]	[Commercially Sensitive Information: names of input used]	[Commercially Sensitive Information: name of Rainbow Chemical's related supplier]
[Commercially Sensitive Information: names of products supplied]	[Commercially Sensitive Information: names of input used]	[Commercially Sensitive Information: name of Rainbow Chemical's related supplier]
[Commercially Sensitive Information: names of products supplied]	[Commercially Sensitive Information: names of input used]	[Commercially Sensitive Information: name of Rainbow Chemical's related supplier]
[Commercially Sensitive Information: names of products supplied]	[Commercially Sensitive Information: names of input used]	[Commercially Sensitive Information: name of Rainbow Chemical's related supplier]

G-2. Cost accounting practices

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

ANSWER:

Rainbow Chemical's cost accounting system is based on actual costs.

- If your company uses standard costs:
 - Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?
 - Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?

PUBLIC RECORD

- (c) How were those variances allocated?
- (d) Provide details of any significant or unusual cost variances that occurred during the period.

ANSWER:

As Rainbow Chemical uses actual costs, these questions are 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.

ANSWER:

Please refer to Exhibit G-2.3 for the description of each cost centres.

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

ANSWER:

Rainbow Chemical calculates the production cost to the level of [Commercially Sensitive Information: product specificity recorded].

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

ANSWER:

There are no special and separate management accounting system maintained by Rainbow Chemical. The costs system is part of the Company's financial accounting system.

- 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.

ANSWER:

Rainbow Chemical did not engaged in any start-up operations in relation to the goods during the period.

- 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)?

ANSWER:

Rainbow Chemical uses weighted average method to evaluate raw material, work-in-process and finished goods inventories.

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

ANSWER:

Rainbow Chemical will determine the treatment method according to the degree of unqualified or damaged goods. For less serious cases, the damaged or sub-standard goods will be recycled into the production process of goods. Otherwise, it will be entrusted to an unrelated third party for disposal, and Rainbow Chemical will pay the disposal fee. Such disposal fee are recorded in Account Name [Commercially Sensitive Information: account name used to record such disposal fee] under Account Code [Commercially Sensitive Information: account No. used to record such disposal fee].

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

ANSWER:

PUBLIC RECORD

Please kindly note that no scrap, by-products or joint products is generated during the manufacture process of the goods or like goods.

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

ANSWER:

There are no management fees or corporate allocations charged between Rainbow Chemical and its related companies.

G-3 Cost to make on domestic market

1. Complete the worksheet named "G-3 Domestic CTM".

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

ANSWER:

Please refer to [Appendix G-3](#) for the Domestic CTM.

2. Complete worksheet titled "G-3.2 domestic CTM source" listing the source of the data (inclusive of any supporting worksheets and relevant financial records/accounts) for each column of the worksheet "G-3 domestic CTM".

ANSWER:

Please refer to [Appendix G-3.2](#) for the Domestic CTM Source.

G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".

- This worksheet lists all selling, general and administration expenses, including finance expenses, by account code for the most recent accounting period and the period.
- The SG&A listing should reconcile to the trial balance and/or income statement.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- If the figures in worksheet "G-4.1 SG&A listing" are the result of an allocation, provide the background allocation calculations for each reported expense as **confidential exhibit G-4.1**.

IMPORTANT

If you exported the goods to Australia or sold like goods on the domestic market via an intermediary or third party and if the information is available to you, report the intermediary or third party SG&A expenses as outlined above in a separate worksheet and cross reference this data in the worksheet "B-5 Upwards selling expenses".

ANSWER:

PUBLIC RECORD

PUBLIC RECORD

Please refer to [Appendix G-4.1](#) for the SG&A Listing.

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

IMPORTANT

If you exported the goods to Australia or sold like goods on the domestic market via an intermediary or third party and if the information is available to you, report the intermediary or third party SG&A calculation as outlined above in a separate worksheet.

ANSWER:

Please refer to [Appendix G-4.2](#) for the Domestic SG&A Calculation.

G-5 Cost to make the goods exported to Australia

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

ANSWER:

Please refer to [Appendix G-5](#) for the Australian CTM.

2. Complete worksheet titled "G-5.2 Australian CTM source" listing the source of the data (inclusive of any supporting worksheets and relevant financial records/accounts) for each column of worksheet "G-5 Australian CTM".

ANSWER:

Please refer to [Appendix G-5.2](#) for the Australian CTM Source.

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

ANSWER:

The cost allocation methods used for the same workshop are as follows:

- (a) Raw materials

PUBLIC RECORD

[Commercially Sensitive Information: detailed description of cost allocation methods and proportion used for raw materials].

(b) Labour

[Commercially Sensitive Information: detailed description of cost allocation methods and proportion used for labour].

(c) Manufacturing overheads

[Commercially Sensitive Information: detailed description of cost allocation methods and proportion used for manufacturing overheads].

(d) Energy

[Commercially Sensitive Information: detailed description of cost allocation methods and proportion used for energy].

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.

ANSWER:

The month with the largest production of domestic sales model is [Commercially Sensitive Information: month of production]. However, in this month, this workshop [Commercially Sensitive Information: production situation of the workshop], and the cost allocation process cannot be demonstrated. Therefore, Rainbow Chemical selects the month (i.e. [Commercially Sensitive Information: month of production]) with the largest production of the models exported to Australia to demonstrate the cost allocation process. Please refer to [Exhibit G-6.2](#) for the worksheet in details.

G-7 Major raw material costs

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

ANSWER:

2,4-D products produced by Rainbow Chemical with different specifications or in different models use different raw materials, to be more specific, for

(1) 2,4-D products produced and sold in all markets

The major raw material is [Commercially Sensitive Information: name of the major raw material]

(2) 2,4-D products produced and sold in the domestic and Australian markets

Major raw materials are:

a. [Commercially Sensitive Information: name of the major raw material]

b. [Commercially Sensitive Information: name of the major raw material]

c. [Commercially Sensitive Information: name of the major raw material]

d. [Commercially Sensitive Information: name of the major raw material]

e. [Commercially Sensitive Information: name of the major raw material]

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named “G-7.2 Raw material CTM” for these raw materials.

- This worksheet lists the quarterly cost to make the raw material manufactured within the period.
- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as ‘other costs’ if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- Ensure any supporting worksheets or calculations relating to allocations of costs or other matters are clearly marked as confidential exhibit to G-7.2.

ANSWER:

Some of the major raw material [Commercially Sensitive Information: name of the major raw material] are purchased from the related company [Commercially Sensitive Information: name of Rainbow Chemical's

PUBLIC RECORD

related supplier], with the remaining part of the material purchased from unrelated companies. For those purchased from [Commercially Sensitive Information: name of Rainbow Chemical's related supplier], Rainbow Chemical provides with this questionnaire a “**G-7.2 Raw material CTM**” worksheet to report the cost of this material. In addition, all [Commercially Sensitive Information: name of the major raw material] was produced by Rainbow Chemical internally, and a “**G-7.2 Raw material CTM**” worksheet is also provided for this material. Except for the above two, all other major raw materials were purchased from unrelated companies during the period.

3. Complete worksheet titled “G-7.3 Raw Material CTM source” listing the source of the data (inclusive of any supporting worksheets and relevant financial records/accounts) reported in each column of worksheet “G-7.2 Raw Material CTM”.

ANSWER:

Please refer to [Appendix G-7.3](#) Raw Material CTM source which listing the source of the data reported in each column of worksheet “G-7.2 Raw Material CTM”. In addition, please refer to [Exhibit G-7.3](#) for the worksheet for completing [Appendix G-7.3](#).

4. 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.

ANSWER:

Raw material	Cost of total cost to make (%) Domestic sales	Cost of total cost to make (%) Export to Australia
[Commercially Sensitive Information: name of the major raw material]	[Commercially Sensitive Data: weighted average percentage]	[Commercially Sensitive Data: weighted average percentage]
[Commercially Sensitive Information: name of the major raw material]	[Commercially Sensitive Data: weighted average percentage]	N/A
[Commercially Sensitive Information: name of the major raw material]	[Commercially Sensitive Data: weighted average percentage]	N/A
[Commercially Sensitive Information: name of the major raw material]	N/A	[Commercially Sensitive Data: weighted average percentage]
[Commercially Sensitive Information: name of the major raw material]	N/A	[Commercially Sensitive Data: weighted average percentage]

5. For each raw material identified in G-7.3, e.g. 97% 2,4-D, sodium hydroxide and purchases of other raw materials which individually account for 10% or more of the total cost to make, complete the worksheet named “G-7.4 Raw material purchases”

- This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

ANSWER:

Please refer to [Appendix G-7.4](#) for the Raw Material Purchases.

6. Provide a table listing the source of the data for each column of the “G-7.4 Raw material purchases” listing. Complete worksheet titled “G-7.5 Source Data for G-7.4” listing the source of the data reported in each column of the worksheet “G-7.4 Raw material purchases

ANSWER:

Please refer to [Appendix G-7.5](#) Source Data for G-7.4. In addition, please refer to [Exhibit G-7.5](#) for the worksheet for completing [Appendix G-7.4](#) Raw Material Purchases.

7. For each raw material identified in worksheet “G-7.4 Raw material purchases” provide source documentation as instructed below:

PUBLIC RECORD

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

ANSWER:

Please refer to [Exhibit G-7.7.a](#), [Exhibit G-7.7.b](#), [Exhibit G-7.7.c](#) and [Exhibit G-7.7.d](#) for the requested source documentation and reconciliation for four raw materials.

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

ANSWER:

There is one related supplier in “G-7.4 Raw material purchases” listing named [Commercially Sensitive Information: name of Rainbow Chemical's related supplier]. The price is negotiated by both parties based on market principle.

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.

ANSWER:

Please refer to [Appendix G-8](#) for upwards costs as requested to demonstrate that the cost listings in G-3 and G-5 are complete. In addition, please refer to [Exhibit G-8.1](#) All PUC CTM listing which are cost to manufacturing of all products under consideration (2-4 D products) for completing [Appendix G-8](#).

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.

ANSWER:

Please refer to [Exhibit G-8.2](#) for all documents required to complete the “G-8 Upwards costs” worksheet.

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

ANSWER:

All hard coded amounts sources and notes are indicated in “G-8 Upwards costs” in red font.

G-9 Production volume and inventory levels

1. Please complete the worksheet named “G-9 Volume and Inventory”.
 - This worksheet requests the quarterly inventory movement data relating to 2,4-D finished goods and raw materials inventory.
 - The value and volume of the inventory should be based on the actual cost or value as represented in the financial accounts (i.e. not standard costs or cost of goods sold) for each MCC.
 - 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.

PUBLIC RECORD

PUBLIC RECORD

- Ensure any supporting worksheets, calculations or documents relating to data are clearly marked as confidential exhibit to G-9.

ANSWER:

Please refer to [Appendix G-9](#) for the Volume and Inventory.

2. 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.

ANSWER:

[Exhibit G-8.1 All GUC CTM listing](#) contains cost details for all goods under consideration that were produced during the period, including the models reported in Appendix B-2 and Appendix D-2, namely [Commercially Sensitive Information: specific product codes]. Rainbow Chemical extracted the actual cost data, with the actual production data of these models from [Exhibit G-8.1](#) and reports them in Appendix G-3 and Appendix G-5 accordingly.

As each product has its own unique raw material mix, Rainbow Chemical believes that it is reasonable to report cost data (including production quantity data) according to the Company's internal product classification.

3. 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.

ANSWER:

Usually Rainbow Chemical arranges the production plan based on order. After the production is completed, the Company will generate a "Production Report" and test it. If there is no problem after testing, it will generate "Inventory Finished Goods Stock-in Report", which records the actual production information, and further generate "Finished Goods Stock-in Report", which records complete cost information. Please refer to [Exhibit G-9.3](#) for screenshot from Rainbow Chemical's system.

4. 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

ANSWER:

The production quantity reported in "G-3 domestic CTM" is different from the sales volumes reported in "D-2 domestic sales" because of inventory (beginning and ending balance).

- (d) the production quantities reported at worksheet "G-5 Australian CTM" and the sales volumes reported at worksheet "B-2 Australian sales".

ANSWER:

The production quantities reported at worksheet "G-5 Australian CTM" is the same as the sales volumes reported at worksheet "B-2 Australian sales" and there's no beginning and ending balance for this specific product.

5. 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?

ANSWER:

Rainbow Chemical has no fixed production plan. The main factors contributing to the decision of volume of production for the goods, product mix are sale order and the inventory situation. In most cases, Rainbow Chemical makes production based on orders, that is, firstly receives a purchase order and then start production. However, in the off-season, Rainbow Chemical may also produce goods for storage based on stock availability.

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

ANSWER:

Rainbow Chemical has no fixed production plan. The lead times are various due to different sale orders. Generally speaking, it takes about [Commercially Sensitive Information: days of lead time] days from placing an order to shipping.

G-10 Capacity Utilisation

1. Please complete the worksheet named “G-10 Capacity Utilisation”.

- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

ANSWER:

Please refer to [Appendix G-10](#) for the Capacity Utilisation.

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

ANSWER:

The production capacity is the maximum theoretical production quantity of the equipment. The capacity utilisation is calculated as follows:
Capacity utilisation = Actual production quantity / Production capacity × 100%

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

ANSWER:

Rainbow Chemical does not have a warehousing facility specially for the goods, the storage facility can be used to store various types of goods.

(a) What is the capacity of these facilities?

ANSWER:

The warehousing facility can store various types of products, it is estimated that approximately [Commercially Sensitive Data: the warehousing facility] tons of the goods and like goods was held during the period.

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

ANSWER:

During the period, the monthly average amount of inventory is [Commercially Sensitive Data: monthly amount of inventory] tons.

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

ANSWER:

The average period of time that finished product inventory retained is [Commercially Sensitive Data: average period of inventory retained time] day, which is calculated as below.

Item	Note	Result
Inventory of Finished Products	(a)	[Commercially Sensitive Data: inventory of finished products]
Annual Average Inventory	(b)	[Commercially Sensitive Data: annual average inventory]
Inventory Turnover	(c) = (a)/(b)	[Commercially Sensitive Data: turnover of the inventory during POR]
Days Sales of Inventory	(d) = 360/(c)	[Commercially Sensitive Data: Days sales of inventory]

PUBLIC RECORD

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

ANSWER:

In [Commercially Sensitive Information: the year of investment], Rainbow Chemical invested in a new [Commercially Sensitive Information: detailed description of the name, purpose, operation situation, production capacity etc. of the invested production line].

5. For each plant capable of producing inputs that could be utilised to make the goods, provide the date that production facility came into operation and the production capacity of the plant over the past five years. The production capacity should be based on an actual production capacity, not a budgeted production capacity.

ANSWER:

The plant used by Rainbow Chemical to internally produced [Commercially Sensitive Information: name of the major raw material] was came into operation in [Commercially Sensitive Information: date of coming into operation] with a production capacity of [Commercially Sensitive Data: production capacity]. Please note that, however, [Commercially Sensitive Information: detailed description of the raw material used].

In addition, Rainbow Chemical has invested in a new [Commercially Sensitive Information: name of the production line invested] and started trial production in [Commercially Sensitive Information: date of coming into operation] with a production capacity of [Commercially Sensitive Data: production capacity] tons.

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

ANSWER:

In [Commercially Sensitive Information: the year of investment], Rainbow Chemical invested in a new [Commercially Sensitive Information: Detailed description of the name, purpose, operation situation, production capacity etc. of the invested production line].