



**REVIEW OF ANTI-DUMPING AND COUNTERVAILING  
MEASURES**

**CERTAIN ALUMINIUM EXTRUSIONS EXPORTED FROM  
THE PEOPLE'S REPUBLIC OF CHINA**

**EXPORTER VISIT REPORT**

**PANASIA ALUMINIUM (CHINA) LIMITED**

**AND**

**OPAL (MACAO COMMERCIAL OFFSHORE) LIMITED**

**March 2015**

**This report and the views or recommendations contained therein will be reviewed by the case management team and may not reflect the final position of the Anti-Dumping Commission**

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<b>ABBREVIATIONS</b>
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ACBPS	Australian Customs and Border Protection Service
The Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
AUD	Australian dollars
CIF	Cost, insurance and freight
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CTM	Cost to make
CTMS	Cost to make and sell
FOB	Free on board
the goods	the goods the subject of the application (also referred to as the goods under consideration)
HKD	Hong Kong dollars
LME	London Metal Exchange
OPAL	OPAL (Macao Commercial Offshore) Limited
PAD	Preliminary Affirmative Determination
PanAsia	PanAsia Aluminium (China) Limited
PanAsialum	PanAsialum Holdings Company Limited
the Parliamentary Secretary	the Parliamentary Secretary to the Minister for Industry and Science
RMB	Renminbi
SEF	Statement of Essential Facts
SG&A	Selling, general and administrative costs
USD	United States dollars
VAT	Value-added tax
WTO	World Trade Organization

## 1 BACKGROUND

### 1.1 Existing measures

On 11 May 2009, the Australian Customs and Border Protection Service (ACBPS) initiated dumping and subsidy investigations into aluminium extrusions exported from the People's Republic of China (China) following an application by Capral Limited. In that investigation, and as outlined in Trade Measures Report No. 148, it was found that:

- with the exception of one exporter, Tai Ao (Taishan) Co. Ltd (Tai Ao), the goods were exported from China at dumped prices;
- with the exception of Tai Ao, the goods exported from China were subsidised;
- the Australian industry producing like goods had suffered material injury as a result of those dumped and subsidised goods; and
- future exports from China may be dumped and subsidised and that continued dumping and subsidisation may cause further material injury to the Australian industry.

Accordingly, the ACPBS recommended that the then Minister for Home Affairs impose anti-dumping measures on the goods exported from China.<sup>1</sup> On 28 October 2010, the then Minister published a dumping duty notice and a countervailing duty notice applying to aluminium extrusions exported to Australia from China. Notification of the Minister's decision was given in Australian Customs Dumping Notice No. 2010/40.

Following a review by the Trade Measures Review Officer, the ACBPS conducted a reinvestigation into certain findings made in Trade Measures Report No. 148. *International Trade Remedies Report No. 175* sets out the findings affirmed and new findings made by ACBPS as a result of the reinvestigation.

To give effect to this decision, the then Attorney-General published a new notice under section 269ZZM of *the Customs Act 1901* (the Act)<sup>2</sup>. This notice, effective from 27 August 2011, replaced the dumping and countervailing duty notices published on 28 October 2010. The effect of the new notice was that the level of the measures changed and the dumping duty notice no longer applied to Zhaoqing New Zhongya Aluminium Co. Ltd.

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<sup>1</sup> Prior to 25 September 2013, anti-dumping matters were the responsibility of the Minister for Home Affairs. On 25 September 2013, responsibility for anti-dumping matters was transferred to the Minister for Industry. The Minister for Industry subsequently delegated responsibility for anti-dumping matters to the Parliamentary Secretary to the Minister for Industry.

<sup>2</sup> All references in this report to sections of legislation, unless otherwise specified, are to the *Customs Act 1901*.

On 19 March 2014, Capral lodged an application under subsection 269ZDBC(1) requesting the Commissioner conduct an anti-circumvention inquiry (Case No 241) in relation to aluminium extrusions exported from China to Australia by Pan Aluminium (China) Limited (PanAsia). In February 2015, the Minister for Industry and Science accepted the Commissioner's recommendation that the identified importers of the circumvention goods had engaged in circumvention activity and that a different variable factor, specifically export prices, applies for the goods exported by PanAsia.

## **1.2 Background to this review**

On 2 May 2014, PanAsia lodged an application requesting a review of anti-dumping and countervailing measures as they apply to its exports of certain aluminium extrusions to Australia from China. PanAsia claims that certain variable factors relevant to the taking of the anti-dumping measures have changed.

The Commissioner of the Anti-Dumping Commission (the Commissioner) decided not to reject the application and initiated a review of the anti-dumping and countervailing measures. The Commissioner also recommended that the then Parliamentary Secretary extend the review to cover all Chinese exporters of aluminium extrusions to Australia. The then Parliamentary Secretary accepted the Commissioner's recommendation and on 12 June 2014, public notification of the initiation of the review was made in Anti-Dumping Notice (ADN) No. 2014/46.

## **1.3 Purpose of visit**

The purpose of this visit was to verify information submitted by PanAsia and OPAL (Macao Commercial Offshore) Limited (OPAL) in its exporter questionnaire responses.

PanAsia's and OPAL's exporter questionnaire responses were supported by confidential appendices and attachments, including confidential spreadsheets containing sales and cost data. Non-confidential versions of the responses to the exporter questionnaire were placed on the public record.

Information verified during the visit has been used to make preliminary assessments regarding:

- like goods;
- who is the exporter and who is the importer;
- export prices;
- normal values; and
- dumping margins.

## **1.4 Review process and timeframes**

At the verification visit, the visit team advised PanAsia of the following.

- The review period is 1 April 2013 to 31 March 2014.

- The Statement of Essential Facts (SEF) for the review is due to be placed on the public record by 29 April 2015, or such later date as the Parliamentary Secretary allows under section 269ZHI of the Act<sup>3</sup>.
- The SEF will set out the material findings of fact on which the Commission intends to base its recommendations to the Parliamentary Secretary, and will invite interested parties to respond, within 20 days, to the issues raised therein. Interested parties are encouraged to make submissions within 20 days of the SEF's release.
- Following receipt and consideration of submissions made in response to the SEF, the Commission will provide its final report and recommendations to the Parliamentary Secretary. This final report is due no later than 15 June 2015, unless an extension to the SEF or the final report is approved by the Parliamentary Secretary.
- The Parliamentary Secretary has 30 days from receipt of the final report to make a decision on the report's recommendations.

PanAsia was advised that the visit team would prepare a report of the visit (this report) and provide it to PanAsia for review of its factual accuracy and to identify those parts of the report that the company considers confidential. It was explained that, in consultation with PanAsia, the visit team would prepare a non-confidential version of the report and place this on the public record.

### **1.5 Meeting dates and attendees**

Meetings were held at the offices of PanAsia on 4, 5, 6 and 9 February 2015 in Zengcheng City, Guangdong Province, China.

At the visit, PanAsia represented OPAL and provided information and data on OPAL's behalf.

The following people were present at various stages of the meeting:

<b>PanAsia and OPAL</b>	
Ms Ng Bonnie Po Ling	Joint Chief Executive Officer, PanAsialum Holdings Company Limited
Ms Betty Wong	Deputy Chief Finance Officer, PanAsialum Holdings Company Limited
Mr Vincent Tam	PanAsialum Holdings Company Ltd
<b>Consultants</b>	
Mr John Bracic	J. Bracic & Associates Pty Ltd
Mr Marco Hu	Senior Associate, Dacheng Law Offices

<sup>3</sup> The SEF was due to be published by 30 December 2014; however, on 22 December 2014, the Parliamentary Secretary approved an extension to 29 April 2015 (refer ADN No. 2014/138).

Ms Xiaolin Yang	Lawyer, Dacheng Law Offices
<b>Anti-Dumping Commission representatives</b>	
Mr An Chew	Assistant Director, Operations 3
Ms Jasna Halilovic	Senior Investigator, Operations 1



## 2 COMPANY INFORMATION

### 2.1 Company background

PanAsia advised that it is a limited-liability company and is a wholly foreign-owned subsidiary of PanAsia Aluminium Limited. PanAsia further advised that PanAsia Aluminium Limited is wholly-owned by PanAsia Enterprises Group Limited, which in turn is wholly-owned by PanAsialum Holdings Company Limited (PanAsialum).

PanAsia stated that OPAL is wholly-owned by PanAsia Enterprises Group Limited, which in turn is wholly-owned by PanAsialum.

PanAsia advised that PanAsialum is a publicly listed company on the Hong Kong stock exchange, and its primary shareholder (holding [REDACTED] per cent of all shares) is [REDACTED] [entity]. PanAsia stated that [REDACTED] [entity] is ultimately owned by [REDACTED] [entity].

In its response to the exporter questionnaire, PanAsia had provided a chart of PanAsialum's corporate structure. PanAsia had also provided an internal organisation chart for PanAsia which identified Mr Marcus Pan as a director on the board of directors and the manager of PanAsia during the review period. Mr Pan was also identified as a director on the board of directors for OPAL.

At the verification visit, PanAsia advised that Mr Pan was also the chairman and chief executive officer of PanAsialum during the review period; however, PanAsia stated that in December 2014, Mr Pan resigned from all positions within the PanAsia group of companies.

[REDACTED]  
[REDACTED] [Details relating to changes in PanAsialum's board] (**Attachment GEN 1**). The announcement disclosed the delay in the publication of PanAsialum's audited financial statements and annual report for the year ended 30 September 2014 due to certain matters raised by PanAsialum's appointed auditor.

At the visit, the visit team enquired about the matters raised in PanAsialum's public announcement and whether these matters also concern PanAsia. Some of the matters raised by the auditor that the visit team was particularly concerned with included the discrepancies found in the Group's (comprising PanAsialum and its subsidiary companies including PanAsia and OPAL) inventory receipt records in relation to raw material procurement; supporting documents on expenses; and the relationship between the Group and certain Australian customers.

PanAsia provided explanations and details on each of the matters raised in the announcement including the matters that the visit team was concerned about. The visit team was satisfied with the explanations PanAsia outlined and consider the matters does not materially affect the verification of PanAsia's sales or cost data.

At the visit, PanAsia provided an updated internal organisation chart which listed its current board of directors and managers (**Confidential Attachment GEN 2**).

PanAsia also provided an updated internal organisation chart for OPAL (**Confidential Attachment GEN 3**).

## 2.2 Commercial operations

PanAsia advised that it manufactures and sells aluminium extrusions and [REDACTED] [product descriptions] at its factory located in Zengcheng, China. Further, PanAsia advised that OPAL is responsible for exporting aluminium extrusions to Australia.

PanAsia stated that it is an integrated manufacturer of aluminium extrusions, manufacturing its own aluminium billets that it uses in the production of aluminium extrusions. Further, PanAsia advised that it develops and manufactures custom die casts for its customers.

At the verification visit, PanAsia facilitated a tour of its aluminium extrusions factory in Zengcheng. During the tour, the visit team observed the production process which included the smelting of aluminium ingots, the production of the various sizes of billets and the extrusion process.

## 2.3 Related parties

### 2.3.1 Customers

At the verification visit, PanAsia advised that it had made sales to related companies during the review period and therefore updated its domestic sales listing to identify these related-party transactions (**Confidential Attachment DOM 1**).

The visit team found that PanAsia made sales to [REDACTED] related companies during the review period. [REDACTED] related companies were ultimately owned by PanAsialum and can be identified in PanAsialum's 2013 annual report (**Attachment GEN 4**). These related-party transactions are further discussed in section 6.2 below.

PanAsia stated that other than the four related companies outlined above, it is not related to any of its other customers. The visit team found no evidence of any relationship other than a commercial buyer/seller relationship between PanAsia and its unrelated customers.

### 2.3.2 Suppliers

From PanAsialum's 2013 annual report, the visit team identified that PanAsia had purchased packaging material from companies [REDACTED] [entity]. In particular, according to pages 19 to 20 of PanAsialum's report, PanAsia has been purchasing expandable polyethylene from Foshan Nanhai Zhanyao Packaging Materials Factory. Further, PanAsia has been purchasing plastic cling wrap from Foshan Nanhai Dali Zhongxing Paper and Plastic Packaging Products Factory.

At the visit, PanAsia confirmed that it has purchased packaging material from these two suppliers and that it has used this material to pack its aluminium extrusions.

However, PanAsia stated that the relationship between PanAsia and these suppliers is a commercial buyer/seller relationship.

## **2.4 Accounting**

PanAsia advised that its financial year is the calendar year (1 January to 31 December) and that OPAL's financial year is from 1 October to 30 September.

In its response to the exporter questionnaire, PanAsia provided the following (confidential) documents:

- a copy of its chart of accounts;
- a copy of its internal balance sheet and income statement for the quarter ended 31 March 2014; and
- a copy of its audited financial statements for 2012 and 2013.

OPAL provided the following (confidential) documents in its response to the exporter questionnaire:

- a copy of its chart of accounts;
- a copy of its internal balance sheet and profit and loss statement for the six months ended 31 March 2014; and
- a copy of its audited financial statements for 2012 and 2013.

PanAsia's financial accounts were audited by Guangzhou Zengxin Certified Public Accountants Co. Limited in 2012 and 2013, and OPAL's financial accounts were audited by PricewaterhouseCoopers in 2012 and 2013.

PanAsia advised that it uses Kingdee, a local financial accounting software package for its financial reporting system and its management reporting system. Further, PanAsia stated that its sales system is a proprietary system and exclusive to PanAsia.

PanAsia advised that separate management accounts are maintained for PanAsia and OPAL.

### 3 THE GOODS UNDER CONSIDERATION AND LIKE GOODS

#### 3.1 Description of the goods subject to anti-dumping measures

The goods the subject of the current anti-dumping measures (the goods) are:

*Aluminium extrusions produced via an extrusion process, of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents), with the finish being as extruded (mill), mechanical, anodized or painted or otherwise coated, whether or not worked, having a wall thickness or diameter greater than 0.5 mm., with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421 mm.*

The goods include aluminium extrusion products that have been further processed or fabricated to a limited extent, after aluminium has been extruded through a die. For example, aluminium extrusion products that have been painted, anodised, or otherwise coated, or worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

The goods do not extend to intermediate or finished products that are processed or fabricated to such an extent that they no longer possess the nature and physical characteristics of an aluminium extrusion, but have become a different product.

#### 3.2 Tariff classification of the goods

The goods subject to the measures may be classified to the following subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

7604.10.00/06	non alloyed aluminium bars, rods and profiles
7604.21.00/07	aluminium alloy hollow angles and other shapes
7604.21.00/08	aluminium alloy hollow profiles
7604.29.00/09	aluminium alloy non hollow angles and other shapes
7604.29.00/10	aluminium alloy non hollow profiles
7608.10.00/09	non alloyed aluminium tubes and pipes
7608.20.00/10	aluminium alloy tubes and pipes
7610.10.00/12	doors, windows and their frames and thresholds for doors
7610.90.00/13	Other

#### 3.3 PanAsia's product range

During the verification visit, PanAsia advised that it manufactures and sells aluminium extrusions and [REDACTED] [product descriptions].

PanAsia stated that it manufactures aluminium extrusions in a wide range of specifications including alloys, tempers, finishes and diameters, both for the domestic

and export markets. PanAsia further stated that aluminium extrusions are made specifically to customer order and some are fabricated into intermediate and end-use products. It advised that it allocates a different product code to different aluminium extrusion profiles and is specific to that customer.

PanAsia advised that its aluminium extrusions are sold to the construction and industrial sectors and are used in the production of window and door frames, curtain walls, guardrails, body parts for transportation, mechanical and electrical equipment and consumer goods.

### 3.3.1 Goods exported to Australia

In its response to the exporter questionnaire, OPAL provided a spreadsheet listing all exports to Australia during the review period.

In this spreadsheet, OPAL included columns to classify the goods according to the alloy, temper and finish (i.e. mill, anodised or powder coated) of the product. OPAL also included a separate column to include the product code for each product exported.

OPAL advised that it had included all goods in the export sales spreadsheet including goods that may be further worked or fabricated. OPAL advised that it had excluded security grilles and aluminium extrusions packed and sold in kits from this spreadsheet.

During the verification visit, PanAsia updated the Australian export sales listing (**Confidential Attachment EXP 1**). PanAsia advised that it removed transactions from the original spreadsheet that included goods that it considered were not the goods under consideration.

Specifically, PanAsia advised that it had removed goods that were further worked or fabricated into a product that could no longer be described as an aluminium extrusion. PanAsia explained that fabricated goods included aluminium extrusions that were [REDACTED] [product descriptions].

To verify that the fabricated goods that PanAsia had excluded from the original Australian export sales spreadsheet were not the goods under consideration, the visit team requested that PanAsia provide drawings for [REDACTED] [product descriptions] aluminium extrusions. These drawings are at **Confidential Attachment GEN 5**.

Following the visit, and in consultation with the case management team, we considered that aluminium extrusions that are [REDACTED] [product descriptions] are the goods and therefore should be included in the spreadsheet listing OPAL's exports to Australia, whereas aluminium extrusions that included [REDACTED] [product description] were not the goods.

Following the verification visit, OPAL provided an updated Australian export sales spreadsheet to include fabricated aluminium extrusions that were [REDACTED] [product descriptions].

### 3.3.2 Domestic sales of like goods

In its response to the exporter questionnaire, PanAsia provided a spreadsheet listing domestic sales of all products during the review period. The spreadsheet includes information on the alloy, temper and finish of the product for each invoice line.

PanAsia explained that despite variations in alloys, tempers and finishes, the aluminium extrusions it produces and sells domestically are like to the goods exported to Australia. PanAsia explained that the products are physically similar, undergo the same manufacturing process and are substitutable.

PanAsia explained that it had excluded aluminium extrusions [REDACTED], [REDACTED] and [REDACTED] (i.e. [REDACTED]) [product descriptions]. PanAsia believes that these goods are not like to the goods under consideration.

During the verification of the domestic sales spreadsheet, it was discovered that some transactions were sales of [REDACTED] [product descriptions] that were inadvertently included. These transactions were identified and excluded from the spreadsheet. Further details are discussed in section 6.5 below.

### 3.3.3 Model matching

Although the visit team considers that aluminium extrusions sold on the domestic market are like goods to the aluminium extrusions exported to Australia, the visit team assessed the appropriateness of model matching Australian export sales of aluminium extrusions to domestic sales of aluminium extrusions for dumping margin calculation purposes.

Given that:

- each individual aluminium extrusion profile is made to order and specific to the requirement of a customer, either in China or Australia; and
- an aluminium extrusion manufactured for an Australian customer cannot be sold in China, and vice versa,

the visit team considers that there is no suitable price adjustment available between different models of aluminium extrusion and it is not reasonable to model match Australian models of aluminium extrusions to Chinese aluminium extrusions for the purpose calculating a dumping margin.

## 3.4 Like goods – preliminary assessment

The visit team considers that PanAsia's aluminium extrusions sold on the domestic market have characteristics closely resembling aluminium extrusions exported to Australia and are therefore like goods in accordance with subsection 269T(1) of the Act.

## 4 EXPORTS TO AUSTRALIA

### 4.1 General

Over the review period, PanAsia, through its related intermediary OPAL, exported approximately [REDACTED] tonnes of aluminium extrusions to Australia.

At the verification visit, PanAsia stated that during the review period, OPAL exported aluminium extrusion products to the following importers in Australia:

- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED]; and
- [REDACTED].

PanAsia stated that prior to 2009 it was related to [REDACTED] [entity] and the [REDACTED] [entity], however in 2009 the PanAsia Group's interest in those companies was sold through management buyouts. It advised that during the review period, it (or any other related company) was not related to the Australian importers.

In its exporter questionnaire response, OPAL submitted a detailed listing of its sales of aluminium extrusion products to Australia. The export sales spreadsheet included details of all sales by like goods grouping, product code, finish, alloy, temper, invoice number and value, sales order number, quantity (weight in kilograms), and shipping and payment terms. The export sales spreadsheet also included the corresponding PanAsia to OPAL transactions as OPAL purchased the exported aluminium extrusions from PanAsia on an ex-works basis.

As discussed in section 3.3.1 above, OPAL provided an updated export sales spreadsheet during the verification visit (**Confidential Attachment EXP 1**).

### 4.2 Australian export sales process

#### 4.2.1 Ordering process

PanAsia advised that OPAL receives orders directly from its Australian customers, and sales terms are negotiated directly by OPAL with its Australian customers.

Once OPAL receives an order from its Australian customer, OPAL then orders the goods from PanAsia on an [REDACTED] [delivery terms] basis. PanAsia then begins production of the ordered aluminium extrusions and packs the extrusions for shipping.

PanAsia advised that OPAL organises and pays for [REDACTED] [REDACTED] [delivery terms], and OPAL invoices the Australian customer directly.

#### 4.2.2 Pricing

OPAL advised that export prices are determined according to the London Metal Exchange (LME) benchmark price for aluminium plus a fabrication or conversion fee. The aluminium price is based on the [redacted] [pricing formula] aluminium price as quoted on the LME. Fabrication charges are determined by the complexity of the aluminium extrusion and by the specification of the surface finish required by customers.

PanAsia advised that the price between OPAL and PanAsia was an [redacted] [pricing formula] plus a processing fee.

During the review period, OPAL's Australian export sales were invoiced and paid for in [redacted] [currency]. Further, PanAsia's sales to OPAL were invoiced and paid for in [redacted] [currency].

#### 4.2.3 Discounts

In its Australian export sales spreadsheet, there were amounts recorded for discounts to [redacted] [entity]. These recorded discounts ranged between [redacted] and [redacted] per cent of the gross invoice value.

The visit team queried OPAL about this discount and sought documentation to support the calculation of the discount in OPAL's Australian sales listing. [redacted]

[redacted]  
[Details relating to discount structure].

OPAL advised that it did not offer any other discounts, rebates or allowances to its Australian customers.

### 4.3 Verification of exports to source documents

In its response to the exporter questionnaire, OPAL provided a detailed Australian export sales listing for aluminium extrusions on a line by-line basis. The export sales listing included the following information:

- customer name;
- level of trade;
- product code;
- product finish;
- product alloy and temper;
- invoice and order number;
- invoice date, delivery date and date of sale as recorded in OPAL's accounting system;
- shipping container number;
- shipping terms;
- payment terms;



- quantity (in kilograms);
- gross and net invoice value (in [REDACTED] [currency]);
- discounts;
- marine insurance;
- ocean freight (in [REDACTED] [currency]);
- packing costs;
- inland transport costs; and
- other charges (i.e. special packing costs).

In its response to the exporter questionnaire, OPAL provided source documentation for two Australian export sales transactions.

The visit team also selected an additional 13 export sales transactions from OPAL's Australian export sales listing and requested OPAL provide copies of the following documents in relation to each selected export sales transaction:

- purchase order;
- order confirmation;
- commercial invoice;
- evidence of payment from Australian customers;
- invoice for inland freight;
- packing list;
- bill of lading;
- invoice for ocean freight;
- invoice for associated port handling and clearance charges (where applicable); and
- evidence of payment for exportation costs.

OPAL provided the source documents which are at **Confidential Attachment EXP 2**.

At the verification visit, OPAL explained that five of the 13 selected Australian export transactions encompassed fabricated or further processed goods and considered those products to be outside the scope of the goods description (some of which we later determined to be within scope of the goods, as discussed in section 3.3.1 above). OPAL provided source documents for these five shipments and the visit team was able to confirm that the invoiced goods were described as fabricated goods. As a result, the visit team selected five additional transactions for verification and OPAL provided the source documents for these selected transactions.

Using the source documents, the visit team verified customer names, product specifications, invoice dates, currency, invoice values, shipping terms and quantities (in kilograms) of each selected export sale transaction to OPAL's Australian export sales listing. No variances between invoice values and quantities recorded in OPAL's Australian sales listing and OPAL's commercial invoices were observed. Further, OPAL provided evidence of customer payment (including remittance advice and bank deposit advice) and the visit team is satisfied that the invoice price was the price paid.

#### 4.3.1 Ocean freight

OPAL's export sales to Australia were at either [redacted] [shipping terms]. PanAsia advised that the [redacted] [shipping terms] sales are samples which were couriered to its customers therefore the visit team excluded these sample sales from the export sales spreadsheet. For these CIF sales, PanAsia, advised that post exportation expenses, including marine insurance and ocean freight, were organised and paid for by OPAL.

OPAL advised that the recorded charges for ocean freight (in [redacted] [currency]) were based on actual charges incurred per shipping container. OPAL further advised that as various goods were packed in a container, including goods that were not the goods under consideration, OPAL allocated ocean freight charges on a pro-rata basis based on the quantity (in kilograms) of the shipped goods.

For each of the 13 selected export transactions, OPAL provided copies of monthly invoices for ocean freight incurred during a particular month. These invoices listed ocean freight charges incurred for each container shipped during a particular month. The containers were identifiable by the container number and bill of lading number.

For each selected CIF export transaction, the visit team was able to reconcile the invoiced amounts for ocean freight to the amounts recorded in OPAL's Australian sales spreadsheet.

#### 4.3.2 Marine insurance

OPAL advised that the recorded charges for marine insurance were based on actual charges (in USD) incurred per shipping container. OPAL further advised that as various goods were packed in a container, including goods that were not the goods under consideration, OPAL allocated marine insurance charges on a pro-rata basis based on the quantity (in kilograms) of the shipped goods.

For each of the 13 selected export transactions, OPAL provided copies of invoices for marine insurance for each container identifiable by its container number.

For each selected CIF transaction, the visit team was able to reconcile the invoiced amounts for marine insurance to the amounts recorded in OPAL's Australian sales spreadsheet.

#### 4.3.3 Inland freight

OPAL advised that, similar to the recorded charges for ocean freight and marine insurance, the recorded charges for inland freight (from PanAsia's manufacturing facility in China to the port of export) were based on actual charges (in RMB) incurred per shipping container. OPAL further advised that as various goods were packed in a container, including goods that were not the goods under consideration, OPAL allocated inland freight charges on a pro-rata basis based on the quantity (in kilograms) of the shipped goods.

For each of the 13 selected export transactions, OPAL provided copies of monthly invoices for inland freight incurred during a particular month. These invoices listed

inland freight charges incurred for each container shipped during a particular month. The containers were identifiable by the container number and bill of lading number.

The visit team was able to reconcile the invoiced amounts for inland freight to the amounts recorded in OPAL's Australian sales spreadsheet for each selected transaction.

#### 4.3.4 Packing

PanAsia stated that packing costs recorded in OPAL's Australian sales spreadsheet were based on the monthly export packing costs incurred in exported products and were allocated on a pro-rata basis based on the quantity (in kilograms) of the goods sold to OPAL during the particular month.

To verify the packing costs allocated in OPAL's Australian sales spreadsheet, the visit team selected the December 2013 for further verification. PanAsia provided a copy of its general ledger for December 2013 that listed total export packing costs and the total export production volume for this month (**Confidential Attachment EXP 3**). From this, the visit team was able to verify that the unit packing costs (RMB per kilogram) for December 2013 reconciled to the unit packing costs recorded in OPAL's Australian sales spreadsheet for sales transactions made in December 2013.

#### 4.3.5 Credit

OPAL stated that payment terms to the majority of its Australian customers were [REDACTED] days from the bill of lading date. For [REDACTED] [entity], payment terms were [REDACTED]. The visit team was able to verify these payment terms from the commercial invoices that OPAL provided for the selected transactions.

In its response to the exporter questionnaire, OPAL provided a table outlining the monthly average interest rates that OPAL had incurred on short-term bank borrowings. The visit team sought to further verify OPAL's monthly interest rates and OPAL provided a list of its active short-term loans for each month over the review period (**Confidential Attachment EXP 4**).

#### 4.3.6 Other charges

In OPAL's Australian sales spreadsheet, OPAL had included amounts for 'other charges'. PanAsia explained that these other charges related to additional packaging (or 'special packing') that customers may request. PanAsia stated that this additional packaging included [REDACTED] [packing material descriptions]. PanAsia explained that this differed to standard packaging which comprises [REDACTED] [packing material descriptions].

PanAsia advised that these additional packaging fees were recorded separately on OPAL's commercial invoices, and as multiple goods could be included on the same invoice, including goods that were not under consideration, the packaging fees were allocated on a pro-rata basis based on the quantity (in kilograms) of the goods sold.

The visit team was able to reconcile the additional packaging fees recorded on OPAL's invoices to the amounts recorded in OPAL's Australian sales spreadsheet for each selected transaction.

#### 4.3.7 Theoretical weight adjustment

In the exporter questionnaire response, PanAsia claimed an adjustment to the weight recorded in the export sales spreadsheet for the difference between the theoretical weight recorded for export sales and the actual weight used for costs and domestic sales. PanAsia calculated the difference between the theoretical and actual weight of █████% over the investigation period and provided supporting documentation including a sample shipping document (**Confidential Attachment EXP 5**). We reviewed the documents and consider that an adjustment of █████% to the export volume is warranted.

#### 4.3.8 Conclusion

The visit team considers that PanAsia's and OPAL's Australian sales listing is an accurate record of the sales of aluminium extrusions to Australia during the review period.

### 4.4 Verification of export sales to audited financial statements

To verify the relevance and completeness of OPAL's submitted Australian sales data, the visit team requested OPAL provide documentation to support the reconciliation of OPAL's exports of aluminium extrusions (as recorded in the Australian sales spreadsheet) to its audited financial statements.

OPAL provided a reconciliation spreadsheet for the review period that was prepared for this purpose (**Confidential Attachment EXP 6**). It showed how the aggregate volume and value of aluminium extrusions exported to Australia (which matched the detailed Australian sales spreadsheets) could be traced to OPAL's audited financial statements.

To support the verification process, OPAL provided its 2013 audited financial statements (covering 1 October 2012 to 30 September 2013) and copies of its profit and loss statements for the period 1 October 2012 to 30 September 2013; 1 October 2012 to 31 March 2013 and 1 October 2013 to 31 March 2014 (**Confidential Attachment EXP 7 and Confidential Attachment EXP 8**).

Using these documents, OPAL demonstrated how the total revenue, in Hong Kong dollars (HKD), as recorded in its 2013 audited financial statements, reconciled to the total revenue for the review period (1 April 2013 to 31 March 2014). OPAL did this by subtracting the revenue as recorded in its profit and loss statement for the period 1 October 2012 to 31 March 2013 and adding the revenue as recorded in its profit and loss statement for the period 1 October 2013 to 31 March 2014 to its total revenue for its audited financial year (1 October 2012 to 30 September 2013). OPAL also demonstrated how the revenue in its profit and loss statement for the period 1 October 2012 to 31 March 2013 reconciled to the revenue recorded in its audited income statement for the 2013 financial year.

OPAL then demonstrated how total revenue for the review period reconciled to its complete sales data that it had extracted from its sales ledger. For this purpose, OPAL provided a spreadsheet listing (extracted from its sales ledger) its exports sales, line by line, over the review period (**Confidential Attachment EXP 9**). This spreadsheet included information on the customer; invoice values in HKD, AUD and USD (where applicable); product type (including aluminium extrusions, [REDACTED]) [product descriptions]; quantity (in kilograms) and the exchange rate (where applicable).

OPAL aggregated the net invoice values (in HKD) in this spreadsheet to reconcile to the total revenue for the review period with a variance of less than 0.01 per cent.

Being satisfied that the sales data extracted from OPAL's accounting system reconciled to its audited statements, the visit team then attempted to reconcile it to OPAL's updated Australian sales spreadsheet (Confidential Attachment EXP 1).

To do this, OPAL split the data extracted from its sales ledger into "subject goods" and "non-subject goods". OPAL explained that the "subject goods" are goods that were under consideration. The visit team was able to verify that the subject goods included aluminium extrusions only and excluded goods such as [REDACTED] [product descriptions].

Further, OPAL disaggregated the total sales data into Australian sales and third-country sales. OPAL explained that it identified export sales to Australia by identifying the currency of sale, in this case, by identifying transactions made in [REDACTED] [currency]. OPAL also identified some sales transactions recorded in [REDACTED] [currency] that were made to [REDACTED] [export markets] customers based on the customer name.

Once OPAL identified all the goods under consideration exported to Australia during the review period, OPAL compared the total net revenue (in [REDACTED] [currency]) and total quantity (in kilograms) to the total net invoice value (in [REDACTED] [currency]) and total quantity (in kilograms) recorded in its Australian sales spreadsheet. This showed that there was a variance of less than 1 per cent between the data recorded in OPAL's sales ledger (which was reconciled to its audited financial statements) and the data recorded in OPAL's Australian sales spreadsheet.

Having reconciled the Australian sales spreadsheet provided by OPAL to the audited financial statements, the visit team is satisfied that PanAsia's export sales data is complete and relevant.

#### **4.5 Treatment of PanAsia and OPAL as a single entity**

Due to the circumstances of the exports of aluminium extrusions manufactured by PanAsia and sold by OPAL, the visit team considers it appropriate to treat the two entities as one for the purpose of calculating a dumping margin.

Where entities are 'collapsed' the actions of one member of the entity are taken to represent the actions of the whole. The issue of considering multiple entities as a single entity for the purpose of calculating dumping margins was considered by a

World Trade Organization (WTO) dispute settlement panel dealing with the case of Korea – Anti-Dumping Duties on Imports of Certain Paper from Indonesia.<sup>4</sup>

In that WTO dispute settlement panel, the panel stated:

*“In our view, in order to properly treat multiple companies as a single exporter or producer in the context of its dumping determinations in an investigation, the investigating authority has to determine that these companies are in a relationship close enough to support that treatment.”*

It also stated that entities could be treated as a single entity where “the structural and commercial relationship between the companies in question is sufficiently close to be considered as a single exporter or producer.”

The panel considered that common management and ownership are indications of a close legal and commercial relationship and such companies “could harmonize their commercial activities to fulfil common corporate objectives.”

In this instance, both PanAsia and OPAL have common ownership structure, being ultimately owned by PanAsia Enterprises Group Limited, which in turn is owned by PanAsialum Holdings Company Limited.

Further, during the verification visit, information and data was provided by PanAsia on behalf of OPAL. The visit team notes that staff from OPAL attended the visit at PanAsia’s premises. Therefore, it appears that PanAsia and OPAL share staff that work together to achieve a common cooperate objective.

Considering the detailed close structural and commercial relationship between PanAsia and OPAL, the visit team considers it is appropriate to treat the two companies as a single entity for the purpose of calculating a dumping margin.

#### **4.6 The exporter**

The Commission will generally identify the exporter as:

- a principal in the transaction, located in the country of export from where the goods were shipped, who gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia; or
- a principal in the transaction, located in the country of export, who owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

The visit team considers that PanAsia and OPAL, as a single entity, is the exporter of aluminium extrusions during the review period, as PanAsia or OPAL:

- is the manufacturer of the aluminium extrusions;
- determines the price for the sale of the aluminium extrusions;
- owns the aluminium extrusions at the time prior to exportation;

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<sup>4</sup> WT/DS312/R.

- arranges delivery to the port of export (and is listed as the supplier on the bill of lading);
- is the principal in the country of export from where the aluminium extrusions are knowingly placed in the hands of the freight forwarder for delivery to Australia; and
- sent the aluminium extrusions for export to Australia and was aware of the identity of the purchaser.

#### 4.7 The importer

For all export sales to Australia, the visit team considers that the Australian customers listed on the commercial invoices and respective bills of lading are the importers of the aluminium extrusions at the time of importation and therefore are the importers of the aluminium extrusions exported by OPAL during the review period.

#### 4.8 Arms length

In determining export prices under subsection 269TAB(1)(a), the legislation requires that the relevant sales are arms length transactions.

Section 269TAA of the Act outlines the circumstances in which the price paid or payable shall not be treated as arms length. These are where:

- there is any consideration payable for or in respect of the goods other than their price; or
- the price appears to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- in the opinion of the Minister, the buyer, or an associate of the buyer, will, subsequent to the purchase or sale, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

PanAsia and OPAL advised that they have no relationship with any of its Australian customers of aluminium extrusions other than that of a buyer and seller in arms length transactions.

PanAsia and OPAL stated that they do not offer any reimbursement, rebates or other support to its Australian customers in respect of the goods. PanAsia and OPAL advised that the invoice price was the price paid by its Australian customers, which was verified during the verification visit.

The visit team reviewed the documentation for the selected export transactions and did not find any evidence that, in respect of the export of aluminium extrusions:

- there was any consideration payable for, or in respect of, the aluminium extrusions other than their price;
- the price was influenced by a commercial or other relationship between the Australian importers and PanAsia and OPAL; or

- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.

Therefore, the visit team considers that transactions between PanAsia/OPAL and its Australian customers are arms length in terms of section 269TAA.

It is noted that in making its arms length finding, the visit team did not have regard to the outcome of the anti-circumvention inquiry Case 241 that PanAsia's customers are selling aluminium extrusions at a loss, and therefore is subject to further consideration by the case team.

#### **4.9 Export price – preliminary assessment**

Based on the information provided in PanAsia and OPAL's questionnaire responses and the information verified at PanAsia's premises, the visit team considers that:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporter; and
- the purchases of the goods were arms length transactions.

In relation to all exports by PanAsia and OPAL (as a single entity) to Australia, and subject to further enquires by the case team, the visit team recommends that the export price be determined under subsection 269TAB(1)(a), the price paid by the importer less costs arising after exportation.

Export price calculations are at **Confidential Appendix 1**.



## 5 COST TO MAKE AND SELL

### 5.1 General

In its response to the exporter questionnaire, PanAsia provided quarterly cost to make and sell (CTMS) data in separate spreadsheets for export and domestic sales. This data was disaggregated by product finish, specifically mill, anodised and powder coated.

The cost to make (CTM) data was broken down into the following items:

- aluminium ingot;
- other material costs;
- direct labour;
- manufacturing overheads; and
- other costs.

During the verification visit, PanAsia provided the cost worksheets that were used to complete the CTMS spreadsheets comprising of:

- a monthly CTMS summary spreadsheet (**Confidential Attachment CTMS 1**);
- a monthly CTM allocation spreadsheet (**Confidential Attachment CTMS 2**); and
- cost calculation spreadsheets by cost centre for each month (**Confidential Attachment CTMS 3**).

PanAsia explained that the cost calculation spreadsheets (Confidential Attachment CTMS 3) are created monthly as part of its internal management reporting process. For the purpose of submitting CTMS data as part of its exporter questionnaire response, PanAsia used the data in the cost calculation spreadsheets to summarise and allocate the cost items to the different categories of products (e.g. different finishes, kits, fabricated products) manufactured by PanAsia in the CTM allocation spreadsheet (Confidential Attachment CTMS 2). The data is then consolidated and summarised in the CTMS summary spreadsheet (Confidential Attachment CTMS 1) along with selling, general and administration (SG&A) expense data. The monthly CTMS data is then further consolidated into quarterly data for the exporter questionnaire response.

PanAsia stated that in creating the monthly cost calculation spreadsheets (Confidential Attachment CTMS 3), it calculated the CTM for products destined for the domestic and export markets separately. PanAsia advised that the costs are allocated between [REDACTED] [cost allocation description]. PanAsia provided a demonstration of this allocation at **Confidential Attachment CTMS 4**. The visit team considers this approach reasonable.

The visit team notes that the cost of export sales includes the cost of products exported to third countries. PanAsia advised that it was not able to separate the CTM of products exported to Australia from the total export costs. The visit team considers

that to split out the CTM products specifically for the Australian market would be onerous and the impact on the CTM would likely be minimal.

During the verification visit, the visit team undertook an analysis of the spreadsheets, paying particular attention to cost allocation and consolidation methodology. This raised a number of issues around PanAsia's categorisation of products into "subject goods" and "non-subject goods", and the different finishes of aluminium extrusions. As a result, PanAsia revised its cost spreadsheets (**Confidential Attachment CTMS 5**).

## 5.2 Verification of PanAsia's costs up to audited financial statements

The visit team sought to verify the completeness and relevance of the CTM data provided by PanAsia in its exporter questionnaire response by reconciling it to its audited financial accounts.

At the verification visit, PanAsia provided a cost reconciliation spreadsheet (**Confidential Attachment CTMS 6**) which demonstrates reconciliation of the CTM between its cost calculation spreadsheets (Confidential Attachment CTMS 3) and monthly CTM allocation spreadsheet (Confidential Attachment 2) to the audited financial accounts.

To support the reconciliation spreadsheet, PanAsia provided copies of its March 2013 and March 2014 management income statements (**Confidential Attachment CTMS 7**) to enable a calculate cost of the cost of goods sold for the investigation period.

PanAsia advised that the following adjustments are required for the reconciliation:

- change in inventory;
- goods delivered but not yet invoiced during the review period;
- goods invoiced but not delivered during the review period;
- revenue from scrap material; and
- value-added tax (VAT) and other adjustments.

The visit team selected the month of December 2013 and requested that PanAsia provide documentation to support the above adjustments. PanAsia provided the relevant management reports (**Confidential Attachment CTMS 8**).

After allowing for the above adjustments, there was an immaterial variance of less than 0.01 per cent.

Having reconciled the cost spreadsheets to audited financial statements, the visit team is satisfied that PanAsia's CTM data is complete and relevant.

## 5.1 Verification of costs down to source documents

The visit team sought to verify the accuracy of PanAsia's CTM data by reconciling it to source documents. The visit team selected the month of December 2013 and requested that PanAsia demonstrate the reconciliation for that month.

PanAsia explained that the cost calculation spreadsheet (Confidential Attachment CTMS 3) shows the consumption cost of various raw materials by product category and cost centre or workshop, which enabled us to calculate the total consumption of various materials for each month.

### 5.1.1 Production volume

PanAsia advised that at the end of each month, its production managers submit reports on the output volume for each workshop or cost centre, which includes transfers between workshops, to the accounting department.

PanAsia provided a copy of its December 2013 production report (**Confidential Attachment CTMS 9**) and the visit team was able to reconcile the amounts in the report to the cost spreadsheets.

The visit team notes that the production reports show the output of each workshop and by product type. The visit team also notes that, other than the aluminium billet casting and tooling workshops, the output is further separated into domestic and export output volumes.

### 5.1.2 Aluminium ingot

PanAsia stated that in addition to purchased aluminium ingot, it also uses aluminium scrap in its casting workshop to produce aluminium billets. PanAsia explained that all aluminium scrap produced by the company is re-melted and the cost of scrap consumed is included in the casting workshop cost centre.

PanAsia provided copies of its aluminium ingot and ingot scrap inventory ledgers (**Confidential Attachment CTMS 10**) for December 2013 and the visit team was able to match the total aluminium ingot consumption figures between the ledgers and the cost spreadsheets.

PanAsia then provided a copy of its aluminium ingot purchase ledger (**Confidential Attachment CTMS 11**), which the visit team was able to reconcile to the aluminium ingot inventory ledger. The visit team selected a purchase transaction and PanAsia provided copies of the relevant commercial invoices (**Confidential Attachment CTMS 12**).

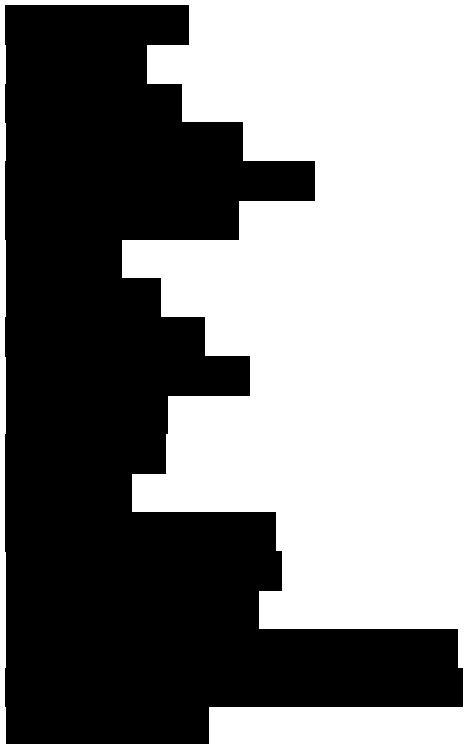
The visit team also sought to verify the list of primary aluminium ingot purchases submitted in PanAsia's exporter questionnaire response. PanAsia advised that it purchases both aluminium ingot and aluminium billet and the primary aluminium purchase spreadsheet includes both aluminium ingot and billet purchases.

The visit team firstly sought to verify the completeness of the primary aluminium purchase spreadsheet and PanAsia was able to demonstrate the reconciliation to the cost calculation spreadsheet.

The visit team then selected an additional two aluminium ingot and two aluminium billet purchases and PanAsia provided copies of the relevant commercial invoices (**Confidential Attachment CTMS 13**). The visit team selected one of the selected purchases and requested proof of payment and PanAsia provided the relevant accounts payable ledger, accounting voucher entries and bank deposit receipts.

### 5.1.3 Other material costs

PanAsia advised that other material costs reported in the CTMS spreadsheet include the following materials:



These costs are identified in the monthly cost allocation spreadsheets and PanAsia advised that the costs of these items are allocated to the different workshops or cost centres based on actual consumption.

The visit team selected [redacted] [other raw material description] for further verification. For each of the selected other material costs, PanAsia provided the relevant inventory ledger for December 2013 (**Confidential Attachment CTMS 14**) and the visit team was able to match the total consumption values from the ledgers to the cost calculation spreadsheet.

The visit team then selected one transaction for each material and PanAsia provided the relevant commercial invoices (**Confidential Attachment CTMS 15**), which were reconciled to the inventory ledgers.

The visit team also sought to verify the average purchase prices of [redacted] [other raw material description] submitted as part of part I-7 of the exporter questionnaire by comparing the average December 2013 figure to the commercial invoices. The visit team found that the average unit costs shown for gas and heavy oil matched the commercial invoices.

### 5.1.4 Manufacturing overheads

PanAsia advised that manufacturing overheads reported in the CTMS spreadsheet include the following:



As with other material costs, manufacturing overheads are allocated to the different workshops or cost centres based on consumption volumes.

The visit team selected depreciation and utilities for further verification.

#### 5.1.4.1 Depreciation

PanAsia provided a copy of its depreciation schedule for December 2013 (**Confidential Attachment CTMS 16**) and the visit team was able to reconcile the total depreciation for PanAsia's manufacturing cost centres in the depreciation schedule to the cost calculation spreadsheet.

#### 5.1.4.2 Utilities

PanAsia advised that the utilities in the cost spreadsheet comprise of water and electricity. PanAsia provided copies (for December 2013) of its water and electricity accounts payables, cost of production sub-ledger and administration expense sub-ledger and demonstrated the reconciliation between the accounts and the cost calculation spreadsheets (**Confidential Attachment CTMS 17**). PanAsia also provided the relevant commercial invoices covering December 2013, which the visit team was able to match to the corresponding accounts payable ledgers.

The visit team then sought to verify the rates of water and electricity submitted as part of part I-7 of the exporter questionnaire response by comparing the December 2013 rates to the commercial invoices. The visit team found that the average unit costs shown in that spreadsheet for water and electricity matched the commercial invoices. However, the visit team notes that the electricity rates shown on the spreadsheet are inclusive of ■ per cent VAT while the water rates are inclusive of ■ per cent VAT and service charges.

## **5.2 Selling, general and administration (SG&A) expenses**

### **5.2.1 PanAsia**

PanAsia stated that it calculated monthly selling, general and administration (SG&A) expenses as a proportion of total production volume by weight. However, consistent with the Commission's usual practice, the visit team considers it more appropriate to calculate SG&A as a percentage of revenue over the review period. PanAsia advised that it did not have any issues with this approach.

Therefore, the visit team calculated PanAsia's SG&A as a proportion of revenue based on its income statement over the review period (**Confidential Attachment CTMS 18**).

The visit team then selected utility and depreciation expenses incurred in December 2013 for further verification, and from the documents already provided during the cost verification (section 5.1.4 above refers), PanAsia was able to demonstrate the reconciliation between these expenses shown on its income statements and the source documents.

### 5.2.2 OPAL

OPAL's SG&A, as submitted in its exporter questionnaire response, was also calculated on a monthly basis as a proportion of sales volume, therefore the visit team recalculated OPAL's SG&A as a percentage of revenue based on its income statement over the review period.

The visit team noted that OPAL included [REDACTED] [selling expenses] in its SG&A calculation. As the export price is ascertained at the free-on-board level, the visit team deducted [REDACTED] [selling expenses] from OPAL's SG&A to avoid double counting.

The visit team then selected bank interest and logistics expenses, which is specific to its Australian sales, for December 2013 for further verification. OPAL provided the relevant account ledgers (**Confidential Attachment CTMS 19**), which were able to be reconciled to the income statement.

The visit team then selected a bank interest payment and a logistic fee transaction and OPAL provided the relevant source documents, which reconciled to the accounting ledgers.

### 5.3 Cost to make and sell – summary

Having verified PanAsia's CTMS data for aluminium extrusions to audited financial accounts and to source documents, the visit team is satisfied that PanAsia's CTMS data it is complete, relevant and accurate.

PanAsia's verified CTMS spreadsheet is at **Confidential Appendix 2**.

## 6 DOMESTIC SALES

### 6.1 General

PanAsia advised that the main factors impacting on the price of aluminium extrusions were as follows:

- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED]; and
- [REDACTED].

PanAsia also advised that price could also vary according to order quantity. For example, a customer ordering 100 tonnes of extrusions per contract (covering a period of 3 or 6 months) would get a better price. More complex extrusions could also attract a higher price.

PanAsia advised that it has its own in-house sales team to service domestic customers and that it does not have any agency or distribution agreements. Further, PanAsia stated that it does not have any price lists for products sold on the domestic market.

PanAsia described its domestic customers as [REDACTED] [trade level] for the purposes of this review; however, PanAsia advised that it does not charge a different price based on the level of trade.

PanAsia stated that domestic sales are invoiced according to the actual weight of the aluminium extrusions. This is different to export sales where the invoiced weight is 'theoretically' calculated by reference to the approximate area and density of the extrusion. PanAsia explained that a new die may produce aluminium extrusions that are slightly under the theoretical weight. However, as the die wears the weight of the aluminium extrusions will slightly increase and may be greater than the invoiced theoretical weight. PanAsia advised that the differences between the theoretical and actual weights are very minimal.

### 6.2 Sales to related parties

As stated in section 2.3.1 above of this report, PanAsia had made sales to [REDACTED] related companies during the review period.

PanAsia advised that [REDACTED] of these [REDACTED] companies were involved in the trading of aluminium extrusions while the [REDACTED] was involved in the processing and trading of window and door frames. Further, PanAsia advised that domestic sales to these related companies were arms length transactions and the prices were reflective of market prices.

During the verification visit, PanAsia provided an updated domestic sales spreadsheet that identified sales to these [REDACTED] related customers (Confidential

Attachment DOM 1). Further, in the spreadsheet, PanAsia identified [redacted] company that is owned by [redacted] [entity].

From this spreadsheet, the visit team found that approximately [redacted] per cent of domestic sales were made to these [redacted] customers during the review period. However, an analysis of the weighted average unit prices for aluminium extrusion to these [redacted] customers revealed that the weighted average unit prices were similar to the weighted average unit prices to unrelated customers.

Therefore, the visit team is satisfied that the selling price between PanAsia and these related customers can be considered arms length transaction.

### 6.3 Domestic sales process, pricing and terms

PanAsia advised that the majority of aluminium extrusions it manufactures are made to customers' specific requirements and that production is on the back of an order.

PanAsia described its domestic sales process as follows:

- the customer places a purchase order in accordance with a sales contract agreed to by PanAsia and the customer previously. If there is no previous sales contract in place, the customer places a purchase order according to its previous trade practice with PanAsia;
- if the customer wishes to purchase aluminium extrusions with a new extrusion profile, then the customer submits a custom design for a new die to PanAsia (further discussed below);
- if there is no sales agreement in place, PanAsia determines the price offer (further discussed in section 6.3.1 below) and negotiates with the customer;
- once an agreement is reached between PanAsia and the customer on the price, PanAsia commences production of the aluminium extrusions;
- the lead time between ordering and collection is usually about [redacted] [redacted] if a die is already available. If a new die is ordered, the lead time is about [redacted];
- after the aluminium extrusions are produced, the customer usually collects the extrusions from the factory and receives a delivery note which lists the goods they had collected on that day and the price of those goods. Invoices would then be issued by PanAsia and could cover a number of delivery notes; and
- the customer pays PanAsia according to agreed payment terms.

PanAsia advised that a customer wanting a new extrusion profile would usually provide a blueprint/drawing of a die. PanAsia will then work with the customer to refine the design of the die and negotiate on the tolerances. Once the design is finalised, PanAsia manufactures the die to produce the required extrusion.

PanAsia stated that the customer is separately charged for the cost of manufacturing the new die, but this is refunded if the customer reaches a certain order volume.



PanAsia stated that the cost of producing new dies when dies are worn out is PanAsia's responsibility.

### 6.3.1 Pricing

PanAsia advised that pricing for the domestic market is based on the [REDACTED] [pricing formula] on the date goods are ordered plus a fee for processing. This processing fee is determined based on the complexity, the volume and the finish, alloy, temper and diameter of the extrusion. PanAsia stated that it also considers competitors prices when determining this processing fee.

### 6.3.2 Discounts, rebates and allowances

PanAsia advised that it does not offer any discounts, rebates or allowances to its domestic customers, and the visit team found no evidence to suggest otherwise.

### 6.3.3 Delivery terms

PanAsia advised that it sells aluminium extrusions to domestic customers mostly on an ex-works basis. However, in PanAsia's domestic sales spreadsheet, it appears that the majority of goods are sold to domestic customers on a delivered basis. PanAsia clarified that the delivery costs are charged separately and that invoice prices do not include delivery charges.

## 6.4 Verification of domestic sales to source documents

In its exporter questionnaire response, PanAsia provided a detailed domestic sales listing.

At the visit, PanAsia provided a revised domestic sales listing (Confidential Attachment DOM 1), which included the following information:

- customer name (recorded in Chinese)
- customer number;
- level of trade;
- related party status;
- finish, alloy, temper and product code;
- invoice and order number;
- invoice date, delivery date and date of sale as recorded in PanAsia's accounting system;
- delivery and payment terms;
- theoretical and actual quantity (in kilograms);
- gross invoice value (recorded in RMB and excluding VAT);
- packing costs;
- credit costs; and
- inland transport costs.

Prior to the visit, the visit team selected 13 transactions (identified by their invoice numbers) from PanAsia's domestic sales listing and requested PanAsia provide the following supporting documents in relation to the selected transactions:

- commercial invoices;
- evidence of payment; and
- delivery notes.

These documents were provided and are at **Confidential Attachment DOM 2**.

The visit team examined the source documents paying particular attention to customer names, quantities, prices and dates. The visit team initially experienced difficulties in reconciling the net invoice values and quantities recorded on the commercial invoices (also known as the VAT invoices) to the domestic sales listing.

PanAsia explained that the reason the net invoice values and quantities did not match the domestic sales listing was because deliveries were often allocated across different invoices. PanAsia advised that at the time of pick-up, customers would be given a delivery note, which listed the goods they had collected on that day and the price of those goods.

PanAsia explained that in some instances, customers would contact the accounts team and indicate how it would like the VAT invoices written up. Invoices would then be issued according to the customer's request.

The visit team also noted that customer payments would generally be for several invoices making them difficult to reconcile. PanAsia explained that payment methods were worked out verbally with customers. Some customer payments were made before the invoice was issued and PanAsia explained that this occurred in cases where the customer received no credit. Payment was therefore made at the time the goods were delivered.

To demonstrate that deliveries were split across invoices, PanAsia extracted sales data, line-by-line, from its sales accounting system (**Confidential Attachment DOM 3**). PanAsia used this raw data to compare the net invoice values and quantities recorded in this extract to the net invoice values and quantities recorded in its domestic sales listing. PanAsia was able to do this on a line-by-line basis and identify where the invoice values and quantities differed.

PanAsia demonstrated that the variance for quantity was around 0.1 per cent of the total quantity recorded in its domestic sales listing. The variance for net invoice value was less than 0.1 per cent of the total net invoice value recorded in its domestic sales listing. PanAsia stated that these variances were solely due to deliveries being split across invoices.

To verify customer payments for the selected transactions, the visit team requested that PanAsia provide accounts receivable for each of the selected transactions. PanAsia provided these accounts (**Confidential Attachment DOM 4**) and from these, the visit team was able to see customer details, payment details for each invoice and account balances for each selected customer over the review period.

The visit team reconciled the invoiced amounts for each selected transaction to the accounts receivable for each customer and is therefore satisfied that payment for the invoiced goods had occurred and that the invoice price was the price paid.

#### 6.4.1 Packing costs

PanAsia advised that the packing costs recorded in its domestic sales listing were based on the monthly domestic packing costs incurred and were allocated on a [REDACTED] basis based on the [REDACTED] of the goods sold during the particular month.

To verify the packing costs recorded and allocated in PanAsia's domestic sales listing, the visit team selected the month of December (2013) for further verification. PanAsia provided a copy of its general ledger for December 2013 that included total domestic packing costs for this month (**Confidential Attachment DOM 5**). From this, the visit team was able to verify that the total packing costs (in RMB) for December 2013 reconciled to the total packing costs recorded in PanAsia's domestic sales listings for sales transactions made in December 2013.

#### 6.4.2 Credit costs

PanAsia stated that payment terms ranged from [REDACTED]. From PanAsia's domestic sales spreadsheet, the majority of sales were made on [REDACTED].

PanAsia had calculated credit costs using an interest rate of [REDACTED] per cent per annum. It advised that it has a credit facility with [REDACTED] [bank institution] and provided the visit team with a copy of the contract. PanAsia also provided details of all its borrowings and interest expenses during the review period, including its bank borrowings and interest expense account ledgers (**Confidential Attachment DOM 6**).

The visit team then selected an interest payment and a loan drawdown transaction and PanAsia provided us with the relevant bank statements and receipts (**Confidential Attachment DOM 7**).

#### 6.4.3 Accuracy of sales – conclusion

The visit team considers that PanAsia's domestic sales listing is an accurate record of its domestic sales of aluminium extrusions during the review period.

### 6.5 Verification of domestic sales to audited financial statements

At the verification visit, the visit team requested that PanAsia demonstrate how this sales listing reconciled to its audited financial statements.

To demonstrate this, PanAsia provided a reconciliation spreadsheet for the review period (**Confidential Attachment DOM 8**) and provided management income statements for the period 1 January 2012 to 31 December 2013 (PanAsia's financial year); 1 January 2013 to 31 March 2013 and 1 January 2014 to 31 March 2014 (**Confidential Attachment DOM 9**).

The principal revenue (in RMB) as recorded in PanAsia's income statement for the period 1 January 2012 to 31 December 2013 could be reconciled with PanAsia's audited income statement for the 2013 financial year. To derive total revenue for the review period, PanAsia deducted the total revenue for the period 1 January to 31

March 2013 and added the total revenue for 1 January to 31 March 2014 to PanAsia's 2013 financial year revenue (as recorded in its audited income statement for 2013).

PanAsia then ran a report from its sales ledger and downloaded all sales, export and domestic, for all products sold by PanAsia during the review period (**Confidential Attachment DOM 10**). PanAsia was able to demonstrate that the total net invoice value (in RMB) recorded in its sales ledger reconciled exactly to the consolidated turnover as derived from its income statements.

Using its domestic sales ledger, PanAsia categorised domestic sales transactions into "non-subject goods" and "subject goods". PanAsia stated that goods that were classified as subject goods included aluminium extrusions.

PanAsia then compared the total quantity and total net invoice value (in RMB) as recorded in its sales ledger (filtered for "subject goods") to the total quantity and net invoice value (in RMB) as recorded in its updated domestic sales listing. In making this comparison, PanAsia noted that it considered the date of sale to be the delivery date (as recorded in its domestic sales listing) however its management accounts did not record the sale of the goods until the invoice was issued, which could be some time after the delivery date.

Therefore, PanAsia explained, observed discrepancies between the domestic sales listing and the sales ledger were due to:

- the inclusion in the domestic sales listing of goods that had been delivered during the review period but had not yet been invoiced; and
- the inclusion in the management accounts of invoices that had been issued in the period but that had not been delivered.

To allow for comparison, from its domestic sales listing, PanAsia deducted total quantity and total net invoice value for transactions where the goods had been delivered but had not yet been invoiced during the review period, and added total quantity and total net invoice value for transactions where the goods had been invoiced during the review period however had not been delivered.

Following these adjustments, PanAsia demonstrated that there was a variance of less than 0.5 per cent between the total quantity and total value as recorded in its domestic sales listing and total quantity and total value as recorded in its sales ledger.

Following a review of PanAsia's sales ledger, the visit team noted that PanAsia had classified products described as 'kits' and 'outsourced aluminium products' as subject goods and had included these products in the reconciliation. Further, in making the adjustment for the inclusion of transactions that had been invoiced however not delivered during the review period, PanAsia had included products described as '[REDACTED]' [product descriptions] in the reconciliation.

Therefore, the visit team excluded these products from the sales ledger data in conducting the reconciliation and found variances of 2.9 per cent and 3.6 per cent respectively between the total quantity and total net invoice value recorded in

PanAsia's domestic sales listing and PanAsia's sales ledger (**Confidential Attachment DOM 11**).

The visit team brought this to PanAsia's attention and following the visit, PanAsia provided an updated reconciliation spreadsheet (**Confidential Attachment DOM 12**) that excluded [redacted] [product descriptions] from the reconciliation. Further, for the reconciliation, PanAsia identified and excluded products from its domestic sales listing that it identified as kits (**Confidential Attachment DOM 13**). This resulted in a revised total quantity and total net invoice value for its domestic sales listing.

Allowing for these changes, there was a variance of less than 1 per cent between the total quantity and net invoice value as recorded in PanAsia's revised domestic sales listing and the total quantity and net invoice value as recorded in PanAsia's sales ledger.

As PanAsia had revised its domestic sales listing by excluding items it identified as kits, following the verification visit, the visit team requested that PanAsia provide diagrams for three products identified by their product codes for further verification.

PanAsia provided the drawings for these three product codes. These drawings are at **Confidential Attachment DOM 14**. The visit team reviewed these diagrams and is satisfied that these diagrams depict products that have been further assembled and/or processed.

The visit team is satisfied that PanAsia's domestic sales listing is relevant and complete.

## 6.6 Arms length

In respect of PanAsia's domestic sales of aluminium extrusions during the review period, the visit team found no evidence that:

- there is any consideration payable for or in respect of the aluminium extrusions other than their price; or
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, will directly or indirectly, be reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

The visit team therefore considers PanAsia's domestic sales of aluminium extrusions to domestic customers as arms length transactions.

## 6.7 Ordinary course of trade

Section 269TAAD of the Act provides that if like goods are sold in the country of export at a price less than the cost of such goods and are unrecoverable within a reasonable period, they are taken not to have been paid in the ordinary course of trade (OCOT).

In order to test whether the domestic sales are in the OCOT, we first tested the profitability of each transaction individually by comparing the unit selling price to the corresponding quarterly weighted average CTMS for each model based on the product category. Where the volume of unprofitable sales exceeds 20% for the product category, we then tested the recoverability of the unprofitable sales by comparing the unit selling price to the corresponding weighted average CTMS over the whole of the investigation period. Those sales found to be unrecoverable were deemed not to be made in the OCOT.

The visit team found that, overall, ■% of sales by value of aluminium extrusions in the Chinese market were made in the OCOT.

## 6.8 Suitability of sales and profit

As discussed in section 3.3.3 above, the visit team considers that it is not reasonable to model match Australian models of aluminium extrusions to Chinese aluminium extrusions for the purpose calculating a dumping margin.

Therefore, the visit team considers that normal values should be based on constructed costs and an amount for profit.

We calculated the profitability of domestic sales of like goods by comparing the selling price with the corresponding quarterly CTMS. In calculating the profit, we have only included domestic sales made in the ordinary course of trade<sup>5</sup>.

The profitability of domestic sales of like goods made in the ordinary course of trade during the investigation period, as a percentage of revenue, is ■%.

## 6.9 Domestic sales – preliminary assessment

The visit team considers that, because aluminium extrusions differ significantly according to customer specifications, and because there is no suitable adjustment available to undertake a comparison between exported and domestically sold aluminium extrusions, normal values should be established under subsection 269TAC(2)(c) using the cost to make and sell and an amount for profit.

Notwithstanding this treatment, this chapter sets out the verification conducted in relation to selling prices and the results of the ordinary course of trade test that was used to determine an appropriate amount of profit.

Domestic sales spreadsheet is at **Confidential Appendix 3**.

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<sup>5</sup> Regulation 181A(2)

## 7 THIRD COUNTRY SALES

In its exporter questionnaire response, OPAL provided a summary of aluminium extrusions sold to third countries during the investigation period. This summary did not contain a line by line listing. However, during the upwards export sales verification to audited financial statements, OPAL provided a report from its sales system with a complete list of all export sales during the review period (**Confidential Attachment EXP 9**).

The visit team considers that it is in possession of sufficient verified information from the exporter questionnaire response and the visit to calculate normal values for aluminium extrusions using domestic sales or costs. For this reason, the visit team did not undertake a detailed verification of third-country sales.

## 8 ADJUSTMENTS

To ensure that the normal value was comparable to the Australian export price, the following adjustments were made.

### 8.1 Domestic credit terms

The visit team considers a downward adjustment for domestic credit terms is required to ensure fair comparison to the export price. A downward adjustment for domestic credit terms was made based on the number of days provided by PanAsia to its customers and PanAsia's average short-term borrowing rate from its line of credit facility as discussed in section 6.4.2 above.

### 8.2 Domestic inland freight

As discussed in section 6.3.3 above, delivery costs are charged separately by PanAsia and the domestic invoice price does not include delivery. Therefore, the visit team does not consider a downwards adjustment for domestic inland freight necessary.

### 8.3 Domestic packaging

The visit team considers a downward adjustment for domestic packaging cost is required to ensure fair comparison to the export price. The visit team applied a weighted average downwards adjustment over the investigation period based on the packaging expenses shown in the domestic sales listing as discussed in section 4.3.4 above.

### 8.4 Export packaging

The visit team considers an upwards adjustment for export packaging cost is required to ensure fair comparison to the export price. The visit team applied a weighted average upwards adjustment over the investigation period based on the packaging expenses shown in the export sales listing as discussed in section 6.4.1 above.

### 8.5 Export inland freight, handling and port charges

The visit team considers an upward adjustment for export inland freight, handling and port charges is required to ensure fair comparison to the export price. The visit team applied a weighted average upwards adjustment over the investigation period based on actual export inland freight, handling and port charges listed for each transaction as discussed in section 4.3.3 above.

### 8.6 OPAL's SG&A

As aluminium extrusions exported to Australia are sold through OPAL, the visit team considers an upward adjustment for OPAL's SG&A is required to ensure fair comparison to export price. The visit team calculated SG&A expenses based on OPAL's income statements as discussed in section 5.2.2 above.



### 8.7 Non-refundable value-added tax

PanAsia incurs a non-refundable VAT expense on export sales to Australia of 4 per cent, being the difference between the VAT rate of 17 per cent less 13 per cent VAT refunded on export sales of aluminium extrusions. Therefore, the visit team applied an upward adjustment of 4 per cent to the normal value.

### 8.8 Export credit terms

The visit team considers an upward adjustment for export credit terms is required to ensure a fair comparison to the export price. The visit team made an upward adjustment for export credit terms based on the number of days provided by PanAsia to its customers and OPAL's average short-term borrowing rate from its line of credit facility as discussed in section 4.3.5 above.

### 8.9 Adjustments – conclusion

The visit team is satisfied that there is sufficient and reliable information to justify the following adjustments, in accordance with subsection 269TAC(9) of the Act, and considers these adjustments are necessary to ensure a fair comparison of normal values and export prices:

Domestic credit terms	<b>Deducted</b> cost for domestic credit terms
Domestic packaging	<b>Deducted</b> cost for domestic packaging
Export packaging	<b>Add</b> cost for export packaging
Export inland freight, handling and port charges	<b>Add</b> cost of export inland freight, handling and port charges
OPAL's SG&A	<b>Add</b> amount for OPAL's SG&A costs
Non-refundable VAT	<b>Add</b> the non-refundable VAT amount of 4 per cent
Export credit terms	<b>Add</b> cost for export credit terms

## 9 NORMAL VALUE

As stated in section 3.3.3 above, the visit team considers it would be unsuitable to use domestic sales data to determine the normal value of the goods under subsection 269TAC(1) of the Act. Instead, the visit team considers that normal values should be based on constructed costs and an amount for profit.

Normal values have been constructed using the uplifted cost to make aluminium extrusions exported to Australia plus SG&A on the assumption that the goods, instead of being exported, were sold domestically<sup>6</sup>. A rate of profit, as discussed in section 6.8 above, has been added using data related to the production and arms length sales of like goods in the ordinary course of trade<sup>7</sup>.

In using costs to make and sell as the basis for normal values, the visit team considers that certain adjustments, in accordance with subsection 269TAC(9), are necessary to ensure fair comparison of normal values with export prices as outlined in chapter 8 above.

The normal value calculations are at **Confidential Appendix 4**.

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<sup>6</sup> Subsection 269TAC(2)(c).

<sup>7</sup> Regulation 181A(2) of the *Customs Regulations 1926*.

## 10 DUMPING MARGIN – PRELIMINARY ASSESSMENT

The dumping margin has been assessed by comparing the weighted average export prices to the corresponding weighted average normal values for the review period.

The dumping margin in respect of aluminium extrusions exported to Australia by PanAsia and OPAL, as a single entity, for the review period is -13.9 per cent<sup>8</sup>.

The preliminary dumping margin calculations are at **Confidential Appendix 5**.

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<sup>8</sup> It is noted that in the original investigation, the ACBPS considered it appropriate to determine the cost of production for aluminium extrusions sold domestically by replacing the cost of primary aluminium with a competitive market cost for the purposes of assessing whether domestic sales were sold in the ordinary course of trade. The Commission is currently reviewing its approach for the purposes of this review; therefore, no such replacement has been made for the purposes of the preliminary dumping margin in this report.

## 11 SUBSIDIES

### 11.1 Preferential income tax

In its exporter questionnaire response, PanAsia declared that it did not receive any preferential tax treatment during the review period and that it paid the general rate of 25 per cent tax. To substantiate this, PanAsia provided copies of its 2011 to 2013 annual tax returns to verify that it paid the full amount of tax. These tax returns are at **Confidential Attachment SUB 1**.

### 11.2 Grants

In its exporter questionnaire response, PanAsia declared that it did not receive any grants during the review period. At the verification visit, the visit team requested, and PanAsia provided, a copy of its non-operating income ledger for 2013 and 2014 (**Confidential Attachment SUB 2**), which reconciled to its annual reports, and the visit team did not find any payments received from any level of Government in China.

### 11.3 Aluminium provided by government at less than fair market value

In its exporter questionnaire response, PanAsia provided a spreadsheet listing all its purchases of primary aluminium during the review period. As discussed in section 5.1.2 above, the visit team was able to verify the spreadsheet to audited accounts and to source documents.

The visit team notes that, although PanAsia declared that none of its suppliers of primary aluminium were state owned, it did not have any information on whether the primary aluminium was manufactured by a state-owned enterprise.

### 11.4 Preferential loans

In its exporter questionnaire response, PanAsia declared that it did not receive loans from a policy bank or state-owned commercial banks.

PanAsia advised that it has a credit facility with [REDACTED] [bank institution] and provided the visit team with a copy of the contract. PanAsia also provided details of all its borrowings and interest expenses during the review period, including its bank borrowings and interest expense account ledgers (refer section 6.4.2 above).

OPAL advised that it also has a credit facility with [REDACTED] [bank institution] and provided details of all its borrowings and interest expenses over the review period (refer section 4.3.5 above).

### 11.5 Provision of goods at less than adequate remuneration

In its exporter questionnaire response, PanAsia provided a spreadsheet listing all its purchases of electricity, water, gas and heavy oil during the review period. As discussed in section 5.1.3 and 5.1.4.2 above, the visit team was able to verify the spreadsheet up to audited accounts and down to source documents.

<b>12 LIST OF APPENDICES AND ATTACHMENTS</b>
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<b>Confidential Appendix 1</b>	Export sales
<b>Confidential Appendix 2</b>	Cost to make and sell
<b>Confidential Appendix 3</b>	Domestic sales
<b>Confidential Appendix 4</b>	Normal value
<b>Confidential Appendix 5</b>	Dumping margin
<b>Attachment GEN 1</b>	PanAsialum's announcement on the Hong Kong Stock Exchange – 19 December 2014
<b>Confidential Attachment GEN 2</b>	Updated organisation chart for PanAsia
<b>Confidential Attachment GEN 3</b>	Updated organisation chart for OPAL
<b>Attachment GEN 4</b>	PanAsialum's 2013 annual report
<b>Confidential Attachment GEN 5</b>	Diagrams of selected products
<b>Confidential Attachment EXP 1</b>	OPAL's updated Australian sales listing
<b>Confidential Attachment EXP 2</b>	Source documents for OPAL's Australian export sales
<b>Confidential Attachment EXP 3</b>	Packaging costs
<b>Confidential Attachment EXP 4</b>	OPAL's short-term borrowing costs
<b>Confidential Attachment EXP 5</b>	Export weight adjustment
<b>Confidential Attachment EXP 6</b>	OPAL's reconciliation spreadsheet – export sales
<b>Confidential Attachment EXP 7</b>	Copy of OPAL's 2013 audited financial statements
<b>Confidential Attachment EXP 8</b>	Copies of OPAL's profit and loss statements
<b>Confidential Attachment EXP 9</b>	OPAL's export sales extracted from its sales ledger
<b>Confidential Attachment CTMS 1</b>	PanAsia's monthly CTMS summary spreadsheet
<b>Confidential Attachment CTMS 2</b>	PanAsia's monthly CTM allocation spreadsheet
<b>Confidential Attachment CTMS 3</b>	PanAsia's monthly cost calculation spreadsheets by cost centre
<b>Confidential Attachment CTMS 4</b>	PanAsia's demonstration of cost allocation – export and domestic
<b>Confidential Attachment CTMS 5</b>	PanAsia's revised CTMS spreadsheets
<b>Confidential Attachment CTMS 6</b>	PanAsia's cost reconciliation spreadsheet
<b>Confidential Attachment CTMS 7</b>	PanAsia's management reports – March 2013 and March 2014
<b>Confidential Attachment CTMS 8</b>	Management reports for reconciliation
<b>Confidential Attachment CTMS 9</b>	PanAsia's production report for December 2013
<b>Confidential Attachment CTMS 10</b>	PanAsia's aluminium ingot and ingot scrap inventory ledgers

<b>Confidential Attachment CTMS 11</b>	PanAsia's aluminium ingot purchase ledger
<b>Confidential Attachment CTMS 12</b>	Invoices for aluminium ingot
<b>Confidential Attachment CTMS 13</b>	Invoices for aluminium ingot and aluminium billet
<b>Confidential Attachment CTMS 14</b>	Other material cost inventory ledgers for December 2013
<b>Confidential Attachment CTMS 15</b>	Invoices for selected other material costs
<b>Confidential Attachment CTMS 16</b>	PanAsia's depreciation schedule for December 2013
<b>Confidential Attachment CTMS 17</b>	PanAsia's water and electricity accounts payable; cost of production sub-ledger and administration expense sub-ledger
<b>Confidential Attachment CTMS 18</b>	PanAsia's management income statement (1 April 2013 to 31 March 2014)
<b>Confidential Attachment CTMS 19</b>	Copies of OPAL's account ledgers – bank interest and logistics expenses
<b>Confidential Attachment DOM 1</b>	PanAsia's updated domestic sales listing
<b>Confidential Attachment DOM 2</b>	Source documents for PanAsia's domestic sales
<b>Confidential Attachment DOM 3</b>	PanAsia's sales data extracted from sales system
<b>Confidential Attachment DOM 4</b>	PanAsia's accounts receivable for selected customers
<b>Confidential Attachment DOM 5</b>	PanAsia's general ledger – December 2013
<b>Confidential Attachment DOM 6</b>	PanAsia's borrowings and interest expense account ledgers including copy of credit facility contract
<b>Confidential Attachment DOM 7</b>	Selected copies of bank statements and receipts
<b>Confidential Attachment DOM 8</b>	PanAsia's reconciliation spreadsheet – domestic sales
<b>Confidential Attachment DOM 9</b>	PanAsia's management income statements (for sales reconciliation)
<b>Confidential Attachment DOM 10</b>	PanAsia's sales ledger
<b>Confidential Attachment DOM 11</b>	Visit team's reconciliation spreadsheet
<b>Confidential Attachment DOM 12</b>	PanAsia's revised reconciliation spreadsheet – domestic sales
<b>Confidential Attachment DOM 13</b>	List of products identified as kits in PanAsia's domestic sales listing
<b>Confidential Attachment DOM 14</b>	PanAsia's product diagrams
<b>Confidential Attachment SUB 1</b>	PanAsia's annual tax returns – 2011 to 2013
<b>Confidential Attachment SUB 2</b>	Copy of PanAsia's non-operating income ledger – 2013 and 2014