



Australian Government  
Department of Industry,  
Innovation and Science

Anti-Dumping  
Commission

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## Exporter Questionnaire

**Product:** Hot Rolled Structural Steel (HRS)  
**From:** Taiwan and the Kingdom of Thailand (Thailand)  
**Period of Review:** 1 January 2015 to 31 December 2015  
**Response due by:** **25 May 2016**

*Important note: The timeliness of your response is important. Please refer below for more information.*

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**Return completed questionnaire to:** Operations5@adcommission.gov.au  
OR

Attention: Director Operations 5  
Anti-Dumping Commission  
GPO Box 1632  
Melbourne  
Victoria 3000  
Australia

**Please note that a non-confidential version of the reply to this questionnaire must also be provided.**

**TABLE OF CONTENTS**

**TABLE OF CONTENTS**.....2

**BACKGROUND AND GENERAL INSTRUCTIONS**.....3

    BACKGROUND .....3

    THE GOODS UNDER CONSIDERATION (GUC).....3

    GOODS IDENTIFIED AS HOT ROLLED NON-ALLOY STEEL SECTIONS (MEETING THE SPECIFIED SHAPES AND SIZES SET OUT ABOVE) ARE CURRENTLY CLASSIFIED TO THE TARIFF SUBHEADING IN SCHEDULE 3 OF THE *CUSTOMS TARIFF ACT 1995*:.....3

- 7216.31.00 STATISTICAL CODE 30;.....3
- 7216.32.00 STATISTICAL CODE 31;.....3
- 7216.33.00 STATISTICAL CODE 32; AND .....3
- 7216.40.00 STATISTICAL CODE 33.....3

    WHY YOU HAVE BEEN ASKED TO FILL OUT THIS QUESTIONNAIRE? .....4

    WHAT HAPPENS IF YOU DO NOT RESPOND TO THIS QUESTIONNAIRE?.....4

    DUE DATE FOR RESPONSE .....4

    CONFIDENTIAL AND NON-CONFIDENTIAL SUBMISSIONS.....5

    EXPORTER’S DECLARATION .....5

    VERIFICATION OF THE INFORMATION THAT YOU SUPPLY .....5

    IF YOU DO NOT MANUFACTURE THE GOODS .....6

    IF YOU DO NOT EXPORT THE GOODS.....6

    OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE .....6

    SOME GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE .....6

    INSTRUCTIONS ON PROVIDING ELECTRONIC DATA.....7

    FURTHER INFORMATION .....7

**SECTION A - COMPANY STRUCTURE AND OPERATIONS**.....8

- A-1 IDENTITY AND COMMUNICATION.....8
- A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF THE REVIEW.....8
- A-3 COMPANY INFORMATION .....9
- A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION.....10
- A-5 INCOME STATEMENT.....15
- A-6 SALES .....17

**SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)**.....19

**SECTION C - EXPORTED GOODS & LIKE GOODS**.....30

**SECTION D - DOMESTIC SALES**.....32

**SECTION E - FAIR COMPARISON**.....42

- E-1 COSTS ASSOCIATED WITH EXPORT SALES .....42
- E-2 COSTS ASSOCIATED WITH DOMESTIC SALES .....45
- E-3 DUPLICATION .....51

**SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)**  
.....52

**SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE**.....53

- G-1. PRODUCTION PROCESS AND CAPACITY.....53
- G-2. PROVIDE INFORMATION ABOUT YOUR COMPANY’S TOTAL PRODUCTION IN THE FOLLOWING TABLE: 54
- G-3. COST ACCOUNTING PRACTICES.....55
- G-4. COST TO MAKE AND SELL ON DOMESTIC MARKET .....59
- G-5. COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA) ..... 62
- G-6. MAJOR RAW MATERIAL COSTS ..... 64

**SECTION H EXPORTER'S DECLARATION** .....66

**SECTION I CHECKLIST**.....67

**APPENDIX: GLOSSARY OF TERMS**.....68

## BACKGROUND AND GENERAL INSTRUCTIONS

### Background

The Anti-Dumping Commission (the Commission) has initiated a review of the anti-dumping measures applying to certain hot rolled structural steel sections (HRS) exported to Australia from Taiwan and the Kingdom of Thailand (Thailand). The review will be limited to examining whether the variable factors relevant to the taking of anti-dumping measures as they affect Tung Ho Steel Enterprise Corporation (THS) (Taiwan) and Siam Yamato Steel Co. Ltd (SYS) (Thailand) should be varied.

The anti-dumping measures were initially imposed by public notice on 20 November 2014 by the then Parliamentary Secretary to the Minister for Industry following consideration of *Anti-Dumping Commission Report No. 223 (REP 223)*.

Anti-Dumping Notice (ADN) No. 2016/143 outlines the details of the review. The procedures to be followed during the review can be accessed on the Commission's website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

### The goods under consideration (GUC)

The goods subject to anti-dumping measures, in the form of a dumping duty notice are:

*Hot rolled structural steel sections in the following shapes and sizes, whether or not containing alloys:*

- *universal beams (I sections), of a height greater than 130mm and less than 650mm;*
- *universal columns and universal bearing piles (H sections), of a height greater than 130mm and less than 650mm;*
- *channels (U sections and C sections) of a height greater than 130mm and less than 400mm; and*
- *equal and unequal angles (L sections), with a combined leg length of greater than 200mm.*

*Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from the goods under consideration.*

*The goods subject to the anti-dumping measures do not include:*

- *hot rolled 'T' shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails; and*
- *sections manufactured from welded plate (e.g. welded beams and welded columns).*

Goods identified as hot rolled non-alloy steel sections (meeting the specified shapes and sizes set out above) are currently classified to the tariff subheading in Schedule 3 of the *Customs Tariff Act 1995*:

- 7216.31.00 statistical code 30;
- 7216.32.00 statistical code 31;
- 7216.33.00 statistical code 32; and
- 7216.40.00 statistical code 33.

For the tariff subheadings outlined above, the general rate of duty is 5% for goods imported from Japan and imports from Korea, Taiwan and imports from Thailand are duty free.

Goods identified as hot rolled other alloy steel sections (meeting the specified shapes and sizes set out above) are classified to tariff subheading 7228.70.00 in Schedule 3 of the Customs Tariff Act 1995. The applicable duty rate for imports from Japan, Korea and Taiwan is 5%, and imports from Thailand are duty free.

***Exporters to which the measures do not apply***

As advised in ADN 2014/121, the investigation as it related to HRS exported by Feng Hsin Iron & Steel Co Ltd from Taiwan (FHS) was terminated on 31 October 2014. As such the anti-dumping measures do not apply to HRS exported by FHS.

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

The Commission will use the information you provide to determine normal values and export prices over the review period. This information will determine whether the variable factors have changed, and whether the measures, as they apply to THS, require amending. You may make separate submissions concerning any other matter.

The review will be carried out pursuant to the provisions of Part XVB of the *Customs Act 1901*.

**What happens if you do not respond to this questionnaire?**

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem you uncooperative. In that case the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry).

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

**Due date for response**

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

The Commissioner must consider the direction from the Minister for Industry, Innovation and Science as set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Direction). This Direction sets out the particular considerations that the Commissioner must take into account when:

- deciding whether a longer period is reasonably required or practicable under subsection 269TC(6) and 269TC(9) of the Customs Act 1901 (the Act), or considering whether to allow any interested party a longer period to give any response;
- considering an insufficient response from an interested party;
- determining whether to have regard to a late response;
- determining whether an exporter is an uncooperative exporter;
- determining whether or not an entity is a non-cooperative entity for the purposes of section 269TAACA; and
- determining whether an entity has significantly impeded a case.

The full text of the Direction and the accompanying explanatory statement is available on the Comlaw website at [www.legislation.gov.au](http://www.legislation.gov.au). This and other reforms to Australia's anti-dumping system are explained in Anti-Dumping Notice 2015/129, available on the Commission's website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

### **Confidential and non-confidential submissions**

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that *each page* of information you provide is clearly marked either “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”.

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

Please note, Australia’s anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party’s understanding of information contained in a document.

As provided for in Australia’s anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the review case manager.

### **Exporter’s declaration**

At section H, you are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of review, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

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

The Commission will seek to verify the information provided in your submission. The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits take several days. We will want to examine in detail your company’s records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit. We will provide you with a draft of the report and then respond to any questions you have. We will ask you to prepare a non-confidential copy of the report for the public record.

**If you do not manufacture the goods**

You may export but not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods).

In such cases it is important that you forward a copy of this questionnaire to the relevant manufacturers **immediately**. You should also inform the review case officer of the contact details for these manufacturers.

You should complete those sections of the questionnaire that you are reasonably able to complete. If, for example, you are unable to supply details of production costs, you should clearly explain why the section does not apply to your company.

**If you do not export the goods**

Depending on the arrangement for sale of the goods to Australia through an intermediary, the Commission will have to determine who is the exporter of the goods for the purpose of this review.

In any case, information (such as cost of production data) supplied by the manufacturer will be relevant to establishing the normal value of the goods. In the absence of verified information, the Commission may use other available information. This information may result in a decision less favourable to your company.

**Outline of information required by this questionnaire**

- Section A** General information relating to your company including financial reports.
- Section B** A complete list of your company's exports to Australia over the review period.
- Section C** A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods under consideration (the goods).
- Section D** A detailed list of all of your company's sales of like goods in your domestic market.
- Section E** Information to allow a fair comparison between export and domestic prices.
- Section F** Information in relation to your company's exports of like goods to countries other than Australia.
- Section G** Costs to make and sell, for exports to Australia and for the domestic market.
- Section H** Your declaration.
- Section I** A checklist.

**Appendix 1** A glossary of terms used in this questionnaire

**Some general instructions for preparing your response**

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.

## PUBLIC RECORD

7

- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

### **Instructions on providing electronic data**

- It is important that information is submitted in electronic format.
- Electronic data should be emailed or submitted on a CD-ROM, in IBM/MS-DOS format, or another operating system whose disk format is compatible with this MS-DOS version.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file).
- The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the review case officer as soon as possible.

### **Further information**

Before you respond to the questionnaire you should read all the documentation enclosed with this application including the applicant's non-confidential submission and the Anti-Dumping Notice notifying the initiation of the review. We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your submission, please contact the review case manager. The Commission will need to know the reasons.



<b>SECTION A - COMPANY STRUCTURE AND OPERATIONS</b>
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This section requests information relating to company details and financial reports.

### A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this review:

**Response:**

**Head office:**

<b>Name:</b>	<b>B. H. Huang</b>
<b>Position in the company:</b>	<b>Vice President of Sales &amp; Marketing Division</b>
<b>Address:</b>	<b>6F., No. 9, Sec 1, Chang-an E. Rd. Taipei City, 10441, Taiwan</b>
<b>Telephone:</b>	<b>+886-2-2551 1100</b>
<b>Facsimile number:</b>	<b>+886-2-2562 6620</b>
<b>E-mail address of contract person:</b>	<b><u><a href="mailto:bhhuang@tunghosteel.com">bhhuang@tunghosteel.com</a></u></b>

**Factory:**

**Miaoli Works:**

<b>Address:</b>	<b>No.22, Pingding Erhu Village , Sihu Township , Miaoli County 36842, Taiwan</b>
<b>Telephone:</b>	<b>+886-37-923333</b>
<b>Facsimile number:</b>	<b>+886-37-923311</b>
<b>E-mail address of contract person:</b>	<b><u><a href="mailto:h151fy@tunghosteel.com">h151fy@tunghosteel.com</a></u></b>

**Kaohsiung Works:**

<b>Address:</b>	<b>No.8, Jiasing St. , Siaogang District, Kaohsiung City 81257 , Taiwan</b>
<b>Telephone:</b>	<b>+886-7-8023131</b>
<b>Facsimile number:</b>	<b>+886-7-8010696</b>
<b>E-mail address of contract person:</b>	<b><u><a href="mailto:k15hhi@tunghosteel.com">k15hhi@tunghosteel.com</a></u></b>

### A-2 Representative of the company for the purpose of the review

If you wish to appoint a representative to assist you in this review, provide the following details:

**Response:**

<b>Name:</b>	<b>Troy Morrow</b>
<b>Organisation:</b>	<b>Mobile Business Consultants</b>
<b>Position:</b>	
<b>Address:</b>	<b>PO Box 3291 Nerang QLD 4211</b>
<b>Telephone:</b>	<b>+61 0 419 782205</b>
<b>Facsimile/Telex number:</b>	
<b>E-mail address of contact person:</b>	<b><u><a href="mailto:troy@lentro.com.au">troy@lentro.com.au</a></u></b>



Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this review may be freely released to, or discussed with, that representative.

**A-3 Company information**

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

**Response:**

***“Tung Ho Steel Enterprise Corporation” (Hereafter referred to as (“THS”) is the legal name of our company, and it is a publicly listed company in Taiwan. The only business name that we are using for all the export business is “Tung Ho Steel Enterprise Corporation”.***

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

**Response:**

<b>Shareholders' Name</b>	<b>Percentage of shares (%)</b>
<b>Shen Yuan Investment Co. Ltd</b>	<b>12.04%</b>
<b>Sen Yi Investment Co. Ltd</b>	<b>7.76%</b>
<b>Nan Shan Life Insurance Co. Ltd</b>	<b>5.68%</b>

**As dated: 2014/04/27**

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

**Response:**

***THS is not a subsidiary of another company.***

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

**Response:**

***THS is not a subsidiary of any company.***

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

**Response:**

***Please refer to the Attachment A-3-5***

6. Are any management fees/corporate allocations charged to your company by your parent or related company?

**Response:**

*Yes, Katec Creative Resourcing Corp. has charged to THS.*

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

**Response:**

*THS is producer.*

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

**Response:**

*THS does perform all the following functions in relation to goods.*

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

**Response:**

*Please refer to the Attachment A-3-9*

10. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

**Response:**

*For most recent annual report in Chinese version, please refer to the Attachment A-3-10-a.*

*For most recent annual report in English version, please refer to the Attachment A-3-10-b.*

*For most recent brochure, please refer to the Attachment A-3-10-c.*

#### **A-4 General accounting/administration information**

1. Indicate your accounting period.

**Response:**

*The accounting period for THS is calendar year (1 January to 31 December).*

2. Indicate the address where the company's financial records are held.

**Response:**

*The accounting records for THS are accessible at 6F., No.9 Sec.1 Chang-an E. Rd., Taipei City 10441.Taiwan*

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;

**Response:**

***Please refer to the Attachment A-4-3-1***

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

**Response:**

***For the audited consolidated financial statement in year 2014 in Chinese version, please refer to the Attachment A-4-3-2-a***

***For the audited consolidated financial statement in year 2014 in English version, please refer to Attachment A-4-3-2-b***

***For the audited unconsolidated financial statement in year 2014 in Chinese version, please refer to the Attachment A-4-3-2-c***

***For the audited unconsolidated financial statement in year 2014 in English version, please refer to the Attachment A-4-3-2-d***

***For the audited consolidated financial statement in year 2015 in Chinese version, please refer to the Attachment A-4-3-2-e***

***For the audited consolidated financial statement in year 2015 in English version, please refer to Attachment A-4-3-2-f***

***For the audited unconsolidated financial statement in year 2015 in Chinese version, please refer to the Attachment A-4-3-2-g***

***For the audited unconsolidated financial statement in year 2015 in English version, please refer to the Attachment A-4-3-2-h***

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration, and
- the company.

**Response:**

***This question is not applicable since THS don't have the internal financial statements, income statement or management accounts for divisions or sections for the goods under investigation.***

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

**Response:**

***This question is not applicable, since THS is a public listed company in Taiwan. Therefore, THS is required to have the accounts audited.***

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

***Response:***

***No, since January 2013, our accounting practice is using IFRS (“International Financial Reporting Standards”), which is requested by Taiwanese government, therefore, our accounting practice has no differ in any way from the generally accepted accounting principles in Taiwan.***

6. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);

***Response:***

***THS uses the weighted average method in valuing inventory of the raw materials, work-in-process, and finisher goods***

- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

***Response:***

***Cost calculating of different product codes base on production tonnages, energy consumption, operating labour hours, and raw material quantities consumed directly for calculating the cost of different products***

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

***Response:***

***The valuation methods for cost of damaged goods will absorbed by the normal cost of the product. The sub-standard goods will be calculating as same as the normal product.***

- valuation methods for scrap, by products, or joint products;

***Response:***

***Scrap measure of valuation is based on the current month average price of scrap consumption calculated and deducted from the total cost to make. The by-product of THS is iron oxide, the cost of iron oxide that THS sold will deduct from current month total cost to make and sell. In addition, for iron oxide measure of valuation is based on the agreement which is signed every 6 month.***

- valuation and revaluation methods for fixed assets;

***Response:***

**Property, plant and equipment are stated at cost plus revaluation increment, if any, in accordance with applicable regulations. Interest expense related to the purchase and construction of property and equipment is capitalized and included in the cost of the related asset. Maintenance and repairs are expensed when incurred; major addition, improvement and replacement expenditures are capitalized. However, there is no revaluation during the period of investigation.**

- average useful life for each class of production equipment and depreciation method and rate used for each;

**Response:**

**Depreciation of property, plant and equipment is provided over their estimated useful lives by using the straight-line method. Assets still in service after reaching the end of their estimated useful lives are depreciated based on the residual value over their re-estimated useful lives.**

**Beginning November 20, 2009, the Consolidated Company accounts for the removal and recovery costs for fixed assets that are accrued during the non-production period in accordance with Interpretation (97) 340 issued by the Accounting Research and Development Foundation (ARDF). If any component of a fixed asset is a significant part of the total cost, it should be depreciated individually. The Consolidated Company evaluates the residual useful lives, the depreciation method, and the residual value at each fiscal year-end.**

**Any changes shall be accounted for as changes in accounting estimates. The useful lives of the assets are as follows:**

- (1) Buildings: 3 to 60 years**
- (2) Machinery and equipment: 2.75 to 25 years**
- (3) Leased assets: 15 years**
- (4) Miscellaneous equipment: 2 to 15 years**

**Gains or losses on the disposal of property, plant and equipment are recorded as non-operating income or expenses.**

- treatment of foreign exchange gains and losses arising from transactions;

**Response:**

**The recognize of foreign exchange gains and losses is the difference between the exchange rate of the accounting closing each month of THS make accounting records and the exchange rate of export customs declaration. When the exchange rate of export customs declaration is higher than closing, it will become exchange losses. On the contrary, it's exchange gain.**

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

**Response:**

**The foreign exchange gains or losses doesn't express in the balance sheet.**

**Since 2013, THS have started adopt IFRS (International Financial Reporting Standards), the foreign gains and losses are express in the non-operating revenue and expenses of the statement of comprehensive income.**

- inclusion of general expenses and/or interest;

**Response:**

***THS does not capitalize for generally costs or administrative expenses. However, THS has the interest expense from purchase of fixed assets and it will capitalize in fixed assets; part of the acquisition cost. In addition, it will be using "straight line method" to calculate the depreciation.***

- provisions for bad or doubtful debts;

**Response:**

***THS has never prepared the receivables provision for possible bad debts for Section sale. As for all the Section sales in THS, we accept either 100% at sight, irrevocable, local LC. Except for our subsidiary, Tung Kang Steel Structure and Tung Kang Engineer and Construction Corp., are based on agreed payment term 45 days. Therefore, THS doesn't need to provisions for bad or doubtful debts for Section. However, for deformed bar, THS will prepare the 0.2 percent of total amount of account receivable as provision for allowance for doubtful accounts limit. If customers have significantly important event and is likely to occur receivable cannot be recovered in full, after assessment in full and set aside a considerable amount of allowance for doubtful accounts.***

- expenses for idle equipment and/or plant shut-downs;

**Response:**

***This question is not applicable since we don't have idle equipment and/or plant shut downs.***

- costs of plant closure;

**Response:**

***This question is not applicable since we don't have plant closure during the period of investigation.***

- restructuring costs;

**Response:**

***This question is not applicable since there is not restructuring incurred to THS.***

- by-products and scrap materials resulting from your company's production process;  
and

**Response:**

***Scrap will consider as raw material and will be recycled in our factory. Iron oxide will be selling to others.***

- effects of inflation on financial statement information.

**Response:**

***This question is not applicable since there is no inflation effect on financial statement information.***

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

**Response:**

**Reasons for and Cumulative Effect of Changes in Accounting Principle**

- (a) *Effective January 1, 2011, THS has adopted the third amendment of SFAS No.34 "Financial Instruments: Recognition and Measurement". Under this amended accounting principle, financial instruments from recognized, evaluated and impaired according to SFAS 34. Under this amended accounting principle, the Company processes the troubled debt restructuring, new contract and transactions of corrections of treaties to company bonds consulting. The adoption of this amended accounting principle did not affect the net income or loss and earnings per share materially for the year ended December 31, 2011.*
- (b) *Effective January 1, 2011, THS has adopted SFAS No. 41 "Operating Segment", which replaced SFAS No. 20 "Segment Reporting". Under SFAS No. 41, information is disclosed to enable users of financial statements to evaluate the nature and financial effects of the business activities in which the Company engages and the economic environment in which it operates. Accordingly, operating segments are identified and disclosed based on the information provided to the chief operating decision maker. The adoption of this new accounting principle did not affect the net income or loss for the year ended December 31, 2011. Also, the segment information in prior period was modified for comparison purposes. In accordance with SFAS No. 41, the Company had already disclosed the information of each operating segment in the consolidated financial statements, but not in the un- consolidated financial statements.*

**A-5 Income statement**

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration ('goods under consideration' (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

**Response:**

*Please refer to Attachment A-5.*

	Most recent completed financial year (specify)		Review period	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)				



Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
<b>Total cost to make (9=4+5+6+7+8)</b>				
<b>OPERATING INCOME (10=3-9)</b>				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
<b>SG&amp;A expenses (14)=(11+12=13)</b>				
<b>INCOME FROM NORMAL ACTIVITIES (15)=(10-14)</b>				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
<b>PROFIT BEFORE TAX (20)=(15+16+17+18+19)</b>				
Tax (21)				
<b>NET PROFIT (22)=(20-21)</b>				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spreadsheet named "**Income statement**".

*This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.*

**Response:**

**The quantity of the goods is sum of channel, tapered flange beams and H-beams which does not include the height of H-Beams (below 130 mm and above 650 mm) and welded H-beams.**

**A-6 Sales**

State your company's net turnover for the review period (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

**Response:**

*Please refer to Attachment A-6*

	Most recent completed financial year (specify)		Review period	
	Volume	Value	Volume	Value
Total company turnover <b>(all products)</b>				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the <b>goods under consideration</b>				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "TURNOVER".

*This information will be used to verify the cost allocations to the goods under consideration in Section G.*

*Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.*

**Response:**

**Total company turnover (all products):**

**Each mill will input transactions of sales daily to the computer system for summary of sales, based on products, order, and customer name. According to the summary of sales from each mill, it can be found the detail information for both domestic sales and exported sales. Base on the summary of sales, we can find the information for the POI, then input what "Turnover" needed.**

**Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration:**

**Domestic market:**

***Deformed bar, Plate and welded beams are not the GUC of this investigation. Therefore, from the summary of sales, we can have the total sales quantity and amount of hot rolled sections after deduct the quantity and amount of deformed bar, plate and welded beam.***

***Export to Australia:***

***Since THS only have one distributor, Sanwa, therefore, it's easy to get the GUC sales of Australia from summary of sales. Then, we can input the information accordingly.***

***Export to third countries::***

***After deduct the quantity and amount of exported semi-finished product, deformed bar, plate and welded beams we can get exported sales quantity and amount of GUC for third countries.***

**SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)**

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex factory level.

You should report prices of **all** goods under consideration (the goods) **shipped** to Australia during the review period.

The invoice date will normally be taken to be the date of sale. If you consider:

- the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;
- an alternative date should be used when comparing export and domestic prices

you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the review period.

**B-1** For each customer in Australia to whom you shipped goods in the review period list:

**Response:**

**Name:** Sanwa Pty Ltd.  
**Address:** Suite 201, 2<sup>nd</sup> Floor  
100 New South Head Road  
Edgecliff NSW 2027  
Australia  
**Contact name:** David Roberts  
**Phone:** +61-2-9362-4088  
**fax number:** +61-2-9362-3622  
**Trade Level:** Distributor

**B-2** For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

**Response:**

**Please refer to the Attachment B-2-a**

- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

**Response:**

**Sanwa is the Distrubritor of Australia market, and THS has never paid the comissions to Sanwa.**

- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

**Response:**

**THS always offer the FAS for Australia market as shipment term; THS retains the ownership of goods from our factories to any port of Taiwan. After the owner of the bulk vessel provide THS the bill of lading, the owner of the bulk vessel will retain the ownership from either Taichung or Kaohsiung port till goods arrive to Australia. After TT payment has received or letter of credit has been negotiated and approved by bank in Taiwan, Sanwa will have the bill of landing through bank or from THS,**

*then they will retain the ownership after the goods unloaded on the any Australia ports.*

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

**Response:**

*THS has never had any agreements or other contract entered into in relation to any other market, including Australia.*

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

**Response:**

*For negotiating process of exported sales, please refer to the Attachment B-2-e.*

*And THS doesn't have price lists.*

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

**Response:**

*THS is not related to any Australian customers.*

- (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

**Response:**

*Up to date, THS hasn't had any forwarding orders. However, we do have some orders that were signed contract before and schedule shipped as detail below.*

<i>Quantities (mt)</i>	<i>Values (USD)</i>	<i>Scheduled shipped dates</i>
██████	██████	██████
██████	██████	██████

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

**Response:**

*THS only have one distribution channel for Australia market. We only offer one price for Sanwa. However, depend on the negotiation; we will accept the different price for different customers of Sanwa.*

**B-4** Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the review period. You must provide this list in electronic format. Include the following export related information:

**Response:**

**Please refer to Attachment B-4-a**

<b>Column heading</b>	<b>Explanation</b>
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.

Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

\*\* FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the review period.

Freight allocations must be checked for consistency.

\* All of these costs are further explained in section E-1.

**Response:**

**Product Code:**

**THS product code of sections is defined with 3 numbers. First number is the product type, second number is the size range and the third number is the steel grade.**

**1. Product Type**

<b>First Number</b>	
3	
5	
6	

**2. Size Range for height & Special Product relate to Certain Product Type**

<b>Second Number</b>	
1	
2	
4	
6	
5	



	[REDACTED]
8	[REDACTED]
9	[REDACTED]
B	[REDACTED]

3. *Steel Grade*

<i>Last Number</i>	[REDACTED]
2	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
4	[REDACTED] [REDACTED]
5	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
6	[REDACTED] [REDACTED]
7	[REDACTED] [REDACTED] [REDACTED]

[REDACTED]



Product control number (PCN):

1.

**Product Type**

<b>First Number</b>	
3	
5	
6	

2.

**Size Range for height**

<b>Second and Third Number</b>	
1a	
1b	
2b	
4b	
6b	
6a	
51	
52	

3.

*Shape*

<i>Forth Number</i>	
1	[REDACTED]
2	[REDACTED]
3	[REDACTED]
4	[REDACTED]
5	[REDACTED]
6	[REDACTED]
7	[REDACTED]
8	[REDACTED]

4.

*Steel Grade*

<i>Last Number</i>	
2	[REDACTED]
4	[REDACTED]
5	[REDACTED]
6	[REDACTED]

	[REDACTED]
7	[REDACTED] [REDACTED] [REDACTED]

*For the comparison table for product code and product control number, please refer to the Attachment B-4-b*

**B-5**

If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

**Response:**

*We have added some columns as list below,*

**Product Control number [39] -** *The product codes were used as 3 digits in THS's normal practice. However, the sizes range for the code can't applicable and be much larger than those products that is involve within this investigation. Therefore, we have changed 3 digits of product code to 5 digits of Product Control number [39] for fair comparison.*

**Customer order number [40] -** *We can correspond this number with THS's order number, bank negotiate documents, and bill of lading ... etc.*

**Ex-factory order number [41] -** *We can correspond this number with freight fee of inland transportation ...etc.*

**Gross Unit Invoice Value (NTD/kg) [35] –** *Since there is no column for gross per unit invoice value, therefore, we have added one column for Gross Unit Invoice Value.*

[REDACTED] **exchange rate (NTD/USD) [16] –** *We have change the exchange rate [16] to [REDACTED] exchange rate (NTD/USD) [16], since we have added a column [REDACTED]*

**Net invoice value [REDACTED] (NTD/USD) [17] –**

*We have change the Net invoice value [17] to Net invoice value [REDACTED] (NTD/USD) [17], since we have added a column [REDACTED]*

[REDACTED]



**FAS export price (NTD/kg) [21] -** Since we always export cargos to Australia by FAS term, we have change it to FAS term instead of FOB term

**Customs Brokers Fees (NTD/kg) [24],  
Bank Charges & Letter of Credit Fees (NTD/kg) [24-1],  
Export Inspection (NTD/kg) [24-2],  
Trade Promotion Service Fee (NTD/kg) [24-3],  
Pier through Fee (NTD/kg) [24-4],  
and Port Service Charges (NTD/kg) [24-5] –** We have restated the column, Handling and other, to 6 columns. They are all related to Handling and other column.

**Credit Cost (NTD/kg) [28] –** Credit cost (NTD/kg) is instead of other costs [28].  
Credit Unit Cost = Gross Invoice Unit value (USD) \*  
APR of NTD short term \* outstandings days ÷ 360 days

**Total Allowances (NTD/kg) [36] –** Total Allowance (NTD/kg) [36] =  
Other discounts [18] + Ocean freight [19]  
+ Marine insurance [20] + Packing  
(NTD/kg) [22] + Inland transport (NTD/kg)  
[23] + Customs Brokers Fees (NTD/kg)  
[24] + Bank Charges & Letter of Credit  
Fees (NTD/kg) [24-1] + Export Inspection  
(NTD/kg) [24-2] + Trade promotion  
services fees (NTD/kg) [24-3] + Pier  
through fees (NTD/kg) [24-4] + Port  
Service Charges (NTD/kg) [24-5] +  
Warranty Expenses [25] + Technical  
Support (NTD/kg) [26] + Commission  
(NTD/kg) [27] + Credit cost (NTD/kg) [28]

**Ex-factory Unit Price (NTD/kg) [37] –** Ex-factory Unit Price (NTD/kg) [37] = Net Unit Invoice Value

**(NTD/kg)[43] – Total Allowances (NTD/kg) [36]**

**Size extra (Digit Six) - Classify different price extra**

**B-6** For each type of discount, rebate, allowance offered on export sales to Australia:

- provide a description; and

**Response:**

***This question is not applicable since THS doesn't have any discount, rebate, or allowance offered on export sales to Australia.***

- explain the terms and conditions that must be met by the importer to obtain the discount.

**Response:**

***This question is not applicable since THS doesn't have any discount, rebate, or allowance offered on export sales to Australia.***

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

**Response:**

***THS has no any discount, rebate, or allowance offered on export sales to Australia.***

**B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

**Response:**

***THS never issued any credit notes to the customer in Australia.***

**B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

**Response:**

***The delivery terms that THS offered is FAS, which is not responsible for arrival of the goods within Australia.***

**B-9** Select two shipments, in different quarters of the review period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.

***Response:***

***For the two shipments in different quarter of investigation period, please refer to Attachment B-9-a and Attachment B-9-b.***



**SECTION C - EXPORTED GOODS & LIKE GOODS**

**C-1** Fully describe all of the goods you have exported to Australia during the review period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

**Response:**

*The goods that THS have exported to Australia during the investigation period are Universal beams, Universal Columns and Parallel Flange Channels with Grade 300 accordance with AS/NZS 3679.1:2010.*

**C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “**Australian sales**” – see section B of this questionnaire).

**Response:**

*Please refer to the Attachment C-2*

**C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the review period, list the most comparable model(s) sold domestically;

- and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

**Response:**

*Please refer to Attachment C-3*

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate “YES”. Otherwise “NO”	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

[Redacted content]

[Redacted content]



**C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

**Response:**

*For JIS G 3101 Standard, please refer to the Attachment C-4-a*

*For JIS G 3106 Standard, please refer to the Attachment C-4-b*

*For JIS G 3136 Standard, please refer to the Attachment C-4-c*

*For JIS G 3192 Standard, please refer to the Attachment C-4-d*

*For CNS 2473 Standard, please refer to the Attachment C-4-e*

*For CNS 2947 Standard, please refer to the Attachment C-4-f*

*For CNS 13812 Standard, please refer to the Attachment C-4-g*

*For CNS 1490 Standard, please refer to the Attachment C-4-h*

*For ASTM A6 Standard, please refer to the Attachment C-4-i*

*For ASTM A36 Standard, please refer to the Attachment C-4-j*

*For ASTM A572 Standard, please refer to the Attachment C-4-k*

*For ASTM A709 Standard, please refer to the Attachment C-4-l*

*For ASTM A992 Standard, please refer to the Attachment C-4-m*

*For AS/NZS 3679.1:2010 Standard, please refer to the Attachment C-4-n*

*For BS EN 10025-1 Standard, please refer to the Attachment C-4-o*

*For BS EN 10025-2 Standard, please refer to the Attachment C-4-p*

*For BS EN 10025-3 Standard, please refer to the Attachment C-4-q*

*For BS EN 10034 Standard, please refer to the Attachment C-4-r*

*For BS 4-1 Standard, please refer to the Attachment C-4-s*

*For Euronorm 19-57 and 53-62 Standard, please refer to the Attachment C-4-t*

**SECTION D - DOMESTIC SALES**

*This section seeks information about the sales arrangements and prices in the domestic market of the country of export.*

*All domestic sales made during the review period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.*

*The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the review period.*

*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –*

- *you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the review period.*
- *If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.*

**D-1** Please provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

**Response:**

**Please refer to the Attachment D-1-1**

- information concerning the functions/activities performed by each party in the distribution chain; and

**Response:**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- a copy of any agency or distributor agreements, or contracts entered into.

**Response:**

**For 2015 distributor annual agreement, please refer to the Attachment D-1-2**

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**D-2** Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

[REDACTED]

[REDACTED]

**D-3** Please explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and

**Response:**

***For negotiating process, please refer to the Attachment D-3***

***The term of the sales for domestic market is “Delivered into store”***

- whether price includes the cost of delivery to customer.

**Response:**

***Yes, the price that we sell is including the cost of delivery to customer for domestic market.***

If sales are in accordance with price lists, provide copies of the price lists.

**Response:**

***This question is not applicable since THS doesn't have the price list.***

**D-4** Please prepare a spreadsheet named “**domestic sales**” listing **all** sales of like goods made during the review period. The listing must be provided on a CD-ROM. Include all of the following information.

**Response:**

***For related Domestic Sales, please refer to Attachment D-4-a***

***For unrelated Domestic sales, please refer to Attachment D-4-b***

<b>Column heading</b>	<b>Explanation</b>
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type of the goods
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in	the net invoice value expressed in your domestic currency as recorded in

the currency of the exporting country	your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Costs marked with \* are explained in section E-2.

**Response:**

**For domestic customer name in English and customer code comparison table, please refer to the Attachment D-4-c**

**Product Code:**

**THS product code of sections is defined with 3 numbers. First number is the product type, second number is the size range and the third number is the steel grade.**

**4. Product Type**

<b>First Number</b>	██████████
<b>3</b>	██████████
<b>5</b>	██████████
<b>6</b>	██████████

**5. Size Range for height & Special Product relate to Certain Product Type**

<b>Second Number</b>	██████████
<b>1</b>	██████████
<b>2</b>	████████████████████
<b>4</b>	████████████████████
<b>6</b>	██████████
<b>5</b>	████████████████████ ██████████

PUBLIC RECORD

8	[REDACTED]
9	[REDACTED]
B	[REDACTED]

6. Steel Grade

Last Number	[REDACTED]
2	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
4	[REDACTED] [REDACTED]
5	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
6	[REDACTED] [REDACTED]
7	[REDACTED] [REDACTED] [REDACTED]

[REDACTED]





Product control number (PCN):

4.

<b>Product Type</b>	
<b>First Number</b>	
3	[REDACTED]
5	[REDACTED]
6	[REDACTED]

5.

<b>Size Range for height</b>	
<b>Second and Third Number</b>	
1a	[REDACTED]
1b	[REDACTED]
2b	[REDACTED]
4b	[REDACTED]
6b	[REDACTED]
6a	[REDACTED]
51	[REDACTED]
52	[REDACTED]



6.

<b>Shape</b>	
<b>Forth Number</b>	
1	[REDACTED]

	[REDACTED]
2	[REDACTED] [REDACTED]
3	[REDACTED] [REDACTED]
4	[REDACTED] [REDACTED]
5	[REDACTED]
6	[REDACTED]
7	[REDACTED]
8	[REDACTED]

5. **Steel Grade**

<i>Last Number</i>	[REDACTED]
2	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
4	[REDACTED] [REDACTED]
5	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
6	[REDACTED] [REDACTED]
7	[REDACTED]

*For the comparison table for product code and product control number, please refer to the Attachment D-4-d*

**D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

**Response:**

*We have added some columns; Gross unit invoice value (NTD/kg)[32], Rebates 2 (NTD/kg) [15-1], Rebates 3 (NTD/kg) [15-2], Rebates 4 (NTD/kg) [15-3], Total allowances (NTD/kg) [33], and Ex-factory unit price (NTD/kg) [34], Product control number [35], Contract unit price (NTD/kg) [36], Unit discounts before invoicing [37], Ex-factory order number [38], Marketing charges (NTD/kg) [39], Size Extra (Digit Six).*

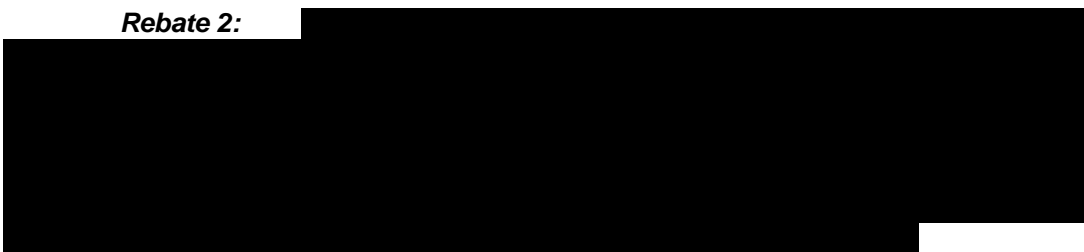
*In addition we have revised some columns: customer code [1] instead of customer name [1], Rebates 1 (NTD/kg) [15] instead of Rebates [15], and Net unit invoice value (NTD/kg) [17] instead of Net invoice value [17], Credit cost (NTD/kg) [25] instead of Other costs [25].*

**D-6** For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:  
- provide a description; and

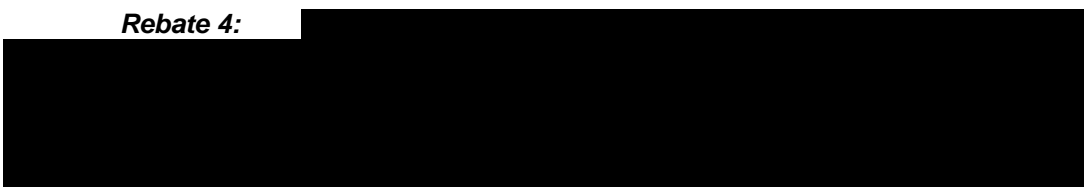
**Response:**

**Discount – Discount 1: Price Discount and it is identified on the sales invoice.**

**Rebate – Rebate 1:** 

**Rebate 2:** 

**Rebate 3:** 

**Rebate 4:** 

[REDACTED]

**Marketing Charge –**

[REDACTED]

- explain the terms and conditions that must be met by the customer to qualify for payment.

**Response:**

[REDACTED]

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

**Response:**

**Rebate 1:** [REDACTED]

[REDACTED]

**Rebate 3:** [REDACTED]

[REDACTED]

**Rebate 4:** [REDACTED]

**Marketing Charge:** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

**Response:**

***This question is not applicable, since THS has never issued credit notes, directly or indirectly to the customers.***

**D-7** Select two domestic sales, in different quarters of the review period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

**Response:**

***For two domestic sales in different quarter of investigation period, please refer to the Attachment D-7-a and Attachment D-7-b.***

The Commission will select additional sales for verification at the time of our visit.

## SECTION E - FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The review must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

### E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales')

#### 1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("Inland transportation costs"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

#### **Response:**

**According to the destination of every ex-factory order, the computer system will calculate the cost per ton per destination, based on the inland transportation agreement, times the total tonnages shipped. The result will be the total delivery expense per ex-factory order. Then, accountant will key in an accounting summons. It will be allocated in delivery expense of selling costs account.**

**We will input all inland transportation cost in the spreadsheet of Australian sales, transactions by transactions.**

#### 2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified (“**Handling, loading & ancillary expenses**”). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

**Response:**

***For export related ancillary costs process as below:***

***Every month, the person in charge will provide an estimated list for the export related ancillary costs by end of month. The person in charge will apply the export related ancillary costs after s/he receives the receipt. S/he will allocate it with related order number, cost type and amount. When accountant receive the application, s/he will book these actual fee on the export related ancillary costs of the selling cost account.***

***We will input all export related ancillary costs cost in the spreadsheet of Australian sales, transactions by transactions.***

**3. Credit**

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the review period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

**Response:**

***For the table of Annual Percentage Rate (APR) of USD short term outstanding over each month of the investigation period, please see the Attachment E-1-3***

***Credit Unit Cost = Gross Invoice Unit value (USD) \* APR of USD short term  
\* outstandings days ÷ 360 days***



***We will input all credit cost in the spreadsheet of Australian sales, transactions by transactions.***

**4. Packing costs**

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed 'Packing'.

**Response:**

*For Packing, please refer to the Attachment E-1-4*

*We will input all packing cost in the spreadsheet of Australian sales, transactions by transactions.*

*In THS's normal practice, we don't calculate the packing costs independently.*

*There are several ways of standard packing in our works. Based on different products (H-Sections, channels, and plates), product length (greater or lesser than 13 meter), and domestic or exported sales. For this investigation, we have separated the packing costs from the production costs. The unit packing cost of each standard packing is calculated as formula below.*

*The unit cost of packing (NTD/kg) =  $\frac{\Sigma (\text{the packing cost per bundle}) (\text{NTD/bundle})}{\Sigma (\text{bundle weight}) (\text{kg/bundle})}$*

*Packing cost is including the material cost and labor cost.*

*The material is including labels, ribbons and bundling steel wires. The different ways of standard packing has different materials consumed for each bundle.*

*There are 4 operators (4 shifts 3 turns) at the bundling control pulpit on production line. Therefore, the labor cost per bundle is same for domestic and export sales. For export sales, since there are extra works for labeling, we need to have some man-hours to do so. Therefore, these man-hours labor cost must be allocated for export sales only.*

**5. Commissions**

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "Commissions". Identify the general ledger account where the expense is located.

**Response:**

*This question is not applicable since THS has not paid any commissions in relation to export sales to Australia.*

**6. Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("Warranty & guarantee expenses" and "Technical assistance & other services"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

**Response:**

*THS don't have any claim during the investigation period. Therefore, there were no such fee generate as "Warranty & guarantee expenses" and "Technical assistance & other service".*



7. **Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

**Response:**

*This question is not applicable since THS doesn’t have any cost in “Other factors”.*

8. **Currency conversions**

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the period of review (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the review period.

**Response:**

*This question is not applicable, since the NTD to USD exchange rate does not change too much in the investigation period.*

## E-2 **Costs associated with domestic sales**

(These cost adjustments will relate to your responses made at question D-4, “**domestic sales**”)

*The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.*

1. **Physical characteristics**

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

**Response:**

*This question is not applicable, since the reason below,*

*In the spreadsheet of Like Goods, there are eight domestic models of like goods sold in the domestic market are identical with eight exported models of the goods sold in Australia market. Each of them has the same Product control number and the reasons as the details below,*

i. **Physical likeness:**

***THS manufactures a range of sections for domestic and third country market is much larger than the range of HRS for Australia market.***

***For the eight Product control numbers of HRS, these HRS for domestic market in multiple shapes, sizes, grades, thickness and lengths that are alike in physical appearance to the goods exported to Australia.***

***ii. Commercial likeness:***

***The distribution chain is similar between export sales and domestic sales for THS.***

***iii. Functional likeness:***

***Both exported and domestic produced HRS is used interchangeably in the same or comparable end-uses.***

***iv. Production likeness:***

***THS produced sections for domestic market is manufactured in a similar manner to the export goods. Molten steel is poured into a continuous caster to produce a semi-finished product that is a beam blank, bloom or billet.***

***This semi-finished product is then hot rolled into structural shapes and sections in a rolling mill.***

**2. Import charges and indirect taxes**

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: “Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

**Response:**

***This question is not applicable since there is no adjustment considered necessary.***

***In Taiwan there are no other taxes and duties except Value Added Tax (VAT). According to Taiwan Value Added Tax (VAT) regulations, the prevailing VAT rate is 5% in the domestic sales and 0% for export sales. Since we are reporting domestic sales on net of VAT price, therefore there is no adjustment considered necessary.***

**3. Level of trade**

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions:* the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

**Response:**

***This question is not applicable, since there are same level of trade, distributor vs distributor, in both domestic market and Australia market. Therefore, we think it is not necessary to adjust the level of trade between distributor and others.***

**4. Credit**

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the review period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system<sup>1</sup>, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

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<sup>1</sup> Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

2. Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

**Response:**

**For the table of Annual Percentage Rate (APR) of NTD short term outstanding over each month of the investigation period, please see the Attachment E-2-4**

**Credit Unit Cost = Gross Invoice Unit value (NTD) \* APR of NTD short term  
\* outstandings days ÷ 365 days**



**We will input all credit cost in the spreadsheet of Australian sales, transactions by transactions.**

*The following items are identified in the amounts quantified at question D-4:*

5. **Transportation**

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

**Response:**

**According to the destination of every ex-factory order, the computer system will calculate the cost per ton per destination, based on the inland transportation agreement, times the total tonnages shipped. The result will be the total delivery expense per ex-factory order. Then, accountant will key in an accounting summons. It will be allocated in delivery expense of selling costs account.**

6. **Handling, loading and ancillary expenses**

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

**Response:**

**This question is not applicable, since handling, loading and ancillary expenses are already allocate in Total cost to make account for domestic market.**

7. **Packing**

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

**Response:**

***For Packing, please refer to the Attachment E-2-7***

***We will input all packing cost in the spreadsheet of Australian sales, transactions by transactions.***

***In THS's normal practice, we don't calculate the packing costs independently.***

***There are several ways of standard packing in our works. Based on different products (H-Sections, channels, and plates), product length (greater or lesser than 13 meter), and domestic or exported sales. For this investigation, we have separated the packing costs from the production costs. The unit packing cost of each standard packing is calculated as formula below.***

***The unit cost of packing (NTD/kg) =  $\Sigma$  (the packing cost per bundle) (NTD/bundle)  $\div$   $\Sigma$  (bundle weight) (kg/bundle)***

***Packing cost is including the material cost and labor cost.***

***The material is including labels, ribbons and bundling steel wires. The different ways of standard packing has different materials consumed for each bundle.***

***There are 4 operators (4 shifts 3 turns) at the bundling control pulpit on production line. Therefore, the labor cost per bundle is same for domestic and export sales. For export sales, since there are extra works for labeling, we need to have some man-hours to do so. Therefore, these man-hours labor cost must be allocated for export sales only.***

**8. Commissions**

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

**Response:**

***This question is not applicable since there is no any commission paid in relation to the domestic sales.***

**9. Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & Guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

**Response:**

***This question is not applicable, since THS has no such fee during the period of investigation.***

**10. Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

**Response:**

*This question is not applicable since THS doesn't have any cost in “Other factors”.*

### E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

**Response:**

*For E-1 Cost Associated with Export Sales, Inland transportation cost, Handling, loading and ancillary expenses, and Packing Cost, we will input it as transactions by transactions in the spreadsheet of Australian Sales.*

*For E-2 Cost Associated with Domestic Sales, Inland transportation cost, and Packing Cost, we will input them as transactions by transactions in the spreadsheet of Domestic Sales.*

**SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)**

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

**F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.**

Column heading	Explanation
Country	Name of the country that you exported like goods to over the review period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the review period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the review period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the review period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country"

**Response:**

*Please refer to the Attachment F-1*

**F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.**

**Response:**

*There are several differences in sales to third countries which may affect their comparison to export sales to Australia as detail below,*

1. *THS offer "FAS" delivery term to Australia, while we offer other countries either "FOB" or "CFR" delivery term.*
2. *The level of trade is different.*
3. *Inland transportation is different.*
4. *Handling, loading, and ancillary cost is different.*
5. *Credit cost is different.*
6. *Packing cost is different.*



## SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- testing the profitability of sales of like goods on the domestic market;
- determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and
- making certain adjustments to the normal value.

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the review period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

### G-1. Production process and capacity

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

#### **Response:**

**Steel making is the process for producing steel from pig iron and steel scrap. In steelmaking, impurities such as sulphur, phosphorus, and excess carbon are removed from the raw steel, and alloying elements such as manganese, silicon, niobium and vanadium are added to produce different grades of steel. Limiting dissolved gases such as nitrogen and oxygen, and entrained impurities (termed "inclusions") in the steel is also important to ensuring the quality of the products cast from the liquid steel. Facilities are EAF (Electric Arc Furnace) and LF (Ladle Furnace) in Miaoli Works.**

**Semifinished casting is the process whereby molten steel is solidified into a "semifinished" billet, bloom, beam blank, or slab for subsequent rolling in the finishing mills. Facilities are Bloom / Beam Blank, and Billet / Slab continuous combi-casters in Miaoli works.**

**Rolling is a metal forming process in which metal stock is passed through a few rolling stands. Prior to rolling in the Structural mil, the semifinished products are heated in the reheat furnace to the required temperature. Semifinished products are extracted from the reheat furnace, descaled and transferred to the rolling stands. The rolling stands contain a combination of Breakdown stand, Universal roughing stand, Horizontal Edger and Universal Finishing stand that are used to shape the product.**

*Facilities are one rolling mill in Miaoli for big size sections and plates, and one rolling mill in Kaohsiung for small size sections*

**Shapes Cold finishing Line**

**Miaoli Works:**

*After exiting the Universal Finishing stand, the shapes are cut with the hot saw into customer required lengths and transferred to the cooling beds. Samples for testing are taken at the hot saw.*

*After cooling, the shapes are straightened, inspected, labelled and bundled.*

**Kaohsiung Works:**

*After exiting the Universal Finishing stand, the shapes are transferred to the cooling beds. Samples for testing are taken at the hot saw.*

*After cooling, the shapes are straightened, cut with the cold saw into customer required lengths, inspected, labelled and bundled.*

**Material handling and dispatch**

*The products are then stored in Miaoli and Kaohsiung works prior to being sent to customer's warehouse or directly to their customer's facility or to ports for exported.*

*For production flowchart of Miaoli work, please refer to the Attachment G-1-1-a*

*For production flowchart of Kaohsiung work, please refer to the Attachment G-1-1-b*

*The scrap will come from the leftover liquid steel of slag tank, ladle, tundish, and also from the crop-end of continuous casting and rolling.*

*The iron oxide will come from scale pit, where the iron oxide will put together from rolling and continuous casting.*

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

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Review Period
A – Production capacity (eg kg, tonnes)*			
B – Actual production in volume (eg kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

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

Provide this information on a spreadsheet named "**Production**".

**Response:**

*Please refer to the Attachment G-1-2*

*Annual Production capacity is made from following formula below.*

**Annual Production capacity = Weight Average Production Rate of Original Design (I)**

**\* Factor of Varies Products Mixture (II)**

**\* Time Occupancy Rate (III)**

**\* Total Operating Time per Year (IV)**

**I. Weight Average Production Rate of Original Design:**

**We can calculate the weight average production rate from the designed production rate (kg/hour) and the quantity of predict demand per year (kg) of each size from original design.**

**II. Factor of varies Products Mixture:**

**From the original design of the H sections (universal beam and universal columns) equipment, it was designed for product as CNS specification only. After years of developing, we are able to produce varies products (H-beams, channels, Tapered flange beams and universal mill plates) and varies standards (JIS, AS/NZS, BS, ASTM, and EN) by using the same equipment. According to our experience, we set up a Factor of varies Products Mixture to modify the weight average production rate to fulfil the actual production situation.**

**III. Time Occupancy Rate:**

**Time Occupancy Rate : actual operation time ÷ available operation time**

**IV. Total Operating Time per Year**

**Total Operating Time per Year = Total Hours of Year – Planned Downtime**

**There are several downtime periods for THS; roll change, Annual maintenance, Chinese New Year and weekly maintenance downtime.**

### **G-3. Cost accounting practices**

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

**Response:**

**THS adopts a “processing costing system” in its ordinary cost accounting. THS normally accumulates and records actual production costs by a processing cost methodology for the goods.**

**THS’s cost accounting system is an integral part of its financial accounting system used for the financial statements, and can be reconciled to audited financial statement.**

2. Is your company’s cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

**Response:**

**This question is not applicable since the accounting system is not based on standard costs for THS, while we are adopting actual costs.**

3 Provide details of any significant or unusual cost variances that occurred during the review period.

**Response:**

***This question is not applicable since there are no significant or unusual cost variances that occurred during the investigation period.***

4 Describe the profit/cost centres in your company's cost accounting system.

**Response:**

***In THS's cost accounting system, a cost centre is the basic cost collection unit. There are 3 types of cost centres in THS:***

1. ***Producing Cost Centre – by adding scrap and other related alloy, to produce semi-product; bloom, beam blank, and slab. Then using the semi-product to roll and it will become deformed bar, H-Sections, Steel Plate, and Channels for sell.***
2. ***Service cost centre - renders services to other cost centres, the maintenance unit provides various machining and repair services, and the utility department provides various water and electricity services.***
3. ***Support and administrative cost centre - for steel making and rolling cost centre provide all personnel administration, purchasing, and financing service.***

5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

**Response:**

***THS does not use profit centre system. THS is using Cost centre system. Monthly, THS is using processing cost method base on the summary of direct raw material, direct labour, and the production fee per product code. In addition, accord to energy consumption and production detail to allocate related indirect production cost. The result will be the production cost of current month, and then calculated as a weighted average of its cost of goods sold.***

***The depreciation of all equipment and amortization expenses is according to their respective directly attributable to the real estate, mill and equipment depreciation. It will calculate base on the "straight line depreciation method", or base on the useful life period of amortization expense.***

***If the equipment has met the definition of capitalized expenditures, then one will be capitalized and the depreciation of the equipment will be calculate based on "straight line method" to estimate depreciation of useful life expense.***

***If there are research and development expenses, then it will account for as "research and development costs."***

6 Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

**Response:**

*THS's cost accounting system is accordance with our product code. It's a 3 code system. Since it's not going to fulfil the definition of GUC for the investigation, therefore, we have invented the 5 code system, Product control number. The product control number can easily trace back to our product code without checking the table. For easier and fairer comparison, we have allocated the cost according to the Product control number from our accounting system. The principle of the product control number is same as product code; which cost calculating of different product codes is based on production tonnages, energy consumption, operating labour hours, and raw material quantities consumed directly for calculating the cost of different products*

*The product code for semifinished and sections is shown as tables below.*

**Product code of Semifinished for sections:**

*THS product code of semifinished is defined with 3 numbers. First number is the product type, second number is the semifinished type and the third number is the steel grade.*

1. **Product Type**

<b>First Number</b>	
1	

2. **Semifinished Type**

<b>Second Number</b>	
4	
5	
6	

3. **Steel Grade**

<b>Last Number</b>	
2	
5	

**Product code of Sections:**

*THS product code of sections is defined with 3 numbers. First number is the product type, second number is the size range and the third number is the steel grade.*

1. **Product Type**

<b>First Number</b>	
3	


5	[REDACTED]
6	[REDACTED]

2. **Size Range for height & Special Product relate to Certain Product Type**

<b>Second Number</b>	
1	[REDACTED]
2	[REDACTED]
4	[REDACTED]
6	[REDACTED]
5	[REDACTED] [REDACTED]
8	[REDACTED]
9	[REDACTED]
B	[REDACTED]

3. **Steel Grade**

<b>Last Number</b>	
2	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
4	[REDACTED] [REDACTED]
5	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
6	[REDACTED] [REDACTED]

	
--	--

7 List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

**Response:**

***This question is not applicable since there are no such different between cost accounting purposes and financial accounting purposes.***

8 State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

**Response:**

***This question is not applicable since THS is not engaged in any start-up operations in relation to the goods.***

9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

**Response:**

***This question is not applicable since THS is not engaged in any start-up operations in relation to the goods; therefore, there is no any cost of the start-up operation.***

**G-4 Cost to make and sell on domestic market**

*This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>2</sup>*

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type\* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the review period. If your company calculates costs monthly, provide monthly costs.

**Response:**

***Please refer to the Attachment G-4-1 ~ Attachment G-4-66***



<sup>2</sup> The Commission applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.

2. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

	Quarter X	Quarter X	Quarter X	Quarter X
<b>Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)</b>				
Material Costs <sup>1</sup>				
Direct Labour				
Manufacturing Overheads				
Other Costs <sup>2</sup>				
<b>Total Cost to Make</b>				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses <sup>3</sup>				
Other Costs <sup>3</sup>				
<b>Unit Cost to Make and Sell</b>				

Prepare this information in a spreadsheet named "**Domestic CTMS**".

<sup>1</sup> Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

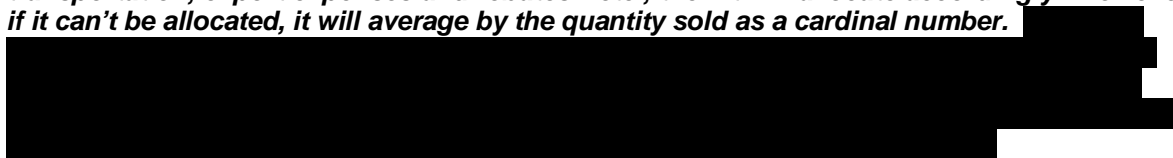
<sup>2</sup> Relating to costs of production only; identify each cost separately.

<sup>3</sup> Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

**Response:**

*The calculation of total cost to make is from the actual raw material consumed (the weight average of cost of current purchasing and opening inventory to be the actual raw materials cost), labour cost, and production expense. For the cost of energy consumption and sub-materials consumed in production expense are allocated to related product categories.*

*As for total cost to sell, in THS's normal practice, if one can be allocated to sales transaction; transportation, export expenses and rebates...etc., then it will allocate accordingly. However, if it can't be allocated, it will average by the quantity sold as a cardinal number.*



*Then Unit cost to make and sell equal to unit cost to make plus unit cost to sell.*

*The worksheets reference are as the attachments below.*

*Please refer to the Attachment G-3-1-67; costs to make.*

*Please refer to the Attachment G-3-1-68; costs to sell.*



*Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the review.*

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

*If you are unable to supply this information in this format, please contact the case officer for this review at the address shown on the cover of this questionnaire.*

*Please specify unit of currency.*

**Response:**

***It will be input as New Taiwan Dollar (NTD).***

**G-5 Cost to make and sell goods under consideration (goods exported to Australia)**

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

**Response:**

[Redacted]

Please refer to the Attachment G-5-1 ~ Attachment G-5-8

	Quarter X	Quarter X	Quarter X	Quarter X
<b>Model/Type exported to Australia – from spreadsheet LIKEGOOD</b>				
Material Costs <sup>1</sup>				
Direct Labour				
Manufacturing Overheads				
Other Costs <sup>2</sup>				
<b>Total Cost to Make</b>				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses <sup>3</sup>				
Other Costs <sup>3</sup>				
<b>Unit Cost to Make and Sell</b>				

Prepare this information in a spreadsheet named "Australian CTMS".

**Response:**

The calculation of total cost to make is from the actual raw material consumed (the weight average of cost of current purchasing and opening inventory to be the actual raw materials cost), labour cost, and production expense. For the cost of energy consumption and sub-materials consumed in production expense are allocated to related product categories.

As for total cost to sell, in THS's normal practice, if one can be allocated to sales transaction; transportation, export expenses and rebates...etc., then it will allocate accordingly. However, if it can't be allocated, it will average by the quantity sold as a cardinal number.

[Redacted]

***Then Unit cost to make and sell equal to unit cost to make plus unit cost to sell.***

***The worksheets reference is as the attachments below.***

***Please refer to the Attachment G-5-9; costs to make.***

***Please refer to the Attachment G-5-10; costs to sell.***

<sup>1</sup> Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

<sup>2</sup> Relating to costs of production only; identify each cost separately.

<sup>3</sup> Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

*Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the review.*

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

*If you are unable to supply this information in this format, please contact the case officer for this review at the address shown on the cover of this questionnaire.*

*Please specify unit of currency.*

***Response:***

***It will be input as New Taiwan Dollar (NTD).***

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

***Response:***

***There is no difference between goods sold to the domestic market and those sold for export. However, for export business, there are addition costs; such as inland transportation, handling, loading & ancillary expenses, packing and credit cost.***

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

***Response:***

***The calculation of THS costing is using "Step by step actual costing system", the valuation of inventory is using "the monthly weighted average method". Production division contains two departments; production department and service department. Production department contain two sections; steel making section and rolling section. The other sections is part of service department; eg. Quality assurance, production planting, utility ...etc.***

***The overall amount of material cost, labour cost, and the production cost from the production department, THS will apportion base on product categories monthly. Then, THS will add the cost of energy consumption and sub-materials consumed to related product categories.***

*Every month, for sections sales, THS will weight average of cost of current production and opening inventory to be the current sales cost and the cost of closing inventory.* [REDACTED]

[REDACTED]

[REDACTED]

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

**Response:**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**G-6 Major raw material costs**

List major raw material costs, which individually account for 10% or more of the total production cost.

**Response:**

*The primary raw materials for the THS are scrap, pig iron and shredder.*

For these major inputs:

- identify materials sourced in-house and from associated entities;

**Response:**

***The scarp is sourced in-house from steel making and rolling. Also, we will purchase very few quantity of scarp from our associated company.***

- identify the supplier; and

**Response:**

***The scrap is from non-related domestic scrap distributors and overseas traders. Small part is acquiring from the surplus of the production of our subsidy “Tung Kang Steel Structure Corp.” and “Katec Creative Resources Corp.”***

- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

**Response:**

***THS will weight average the cost of current purchasing and opening inventory to be the cost of raw materials for production. Therefore, THS is using actual cost of production.***

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

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

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

**Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.**

## SECTION H EXPORTER'S DECLARATION

I hereby declare that.....(company)  
did, during the period of review, export the goods under consideration and have completed  
the attached questionnaire and, having made due inquiry, certify that the information  
contained in this submission is complete and correct to the best of my knowledge and belief.

I hereby declare that.....(company)  
did not, during the period of review, export the goods under consideration and therefore  
have not completed the attached questionnaire.

**Name** : .....

**Signature** : .....

**Position in**

**Company** : .....

**Date** : .....

## SECTION I CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A – general information	<input type="checkbox"/>
Section B – export price	<input type="checkbox"/>
Section C – like goods	<input type="checkbox"/>
Section D – domestic price	<input type="checkbox"/>
Section E – fair comparison	<input type="checkbox"/>
Section F – exports to third countries	<input type="checkbox"/>
Section G – costing information	<input type="checkbox"/>
Section H – declaration	<input type="checkbox"/>

Electronic Data	Please tick if you have provided spreadsheet
<b>INCOME STATEMENT</b>	<input type="checkbox"/>
<b>TURNOVER</b> – sales summary	<input type="checkbox"/>
<b>AUSTRALIAN SALES</b> – list of sales to Australia	<input type="checkbox"/>
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	<input type="checkbox"/>
<b>THIRD COUNTRY</b> – third country sales	<input type="checkbox"/>
<b>PRODUCTION</b> – production figures	<input type="checkbox"/>
<b>DOMESTIC COSTS</b> – costs of goods sold domestically	<input type="checkbox"/>
<b>AUSTRALIAN COSTS</b> – costs of goods sold to Australia	<input type="checkbox"/>

## APPENDIX: GLOSSARY OF TERMS

Throughout this questionnaire, there are certain words and terminology used that require some clarification. The following are their definitions for the purposes of this review.

### Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences; packaging; taxes; level of trade; advertising; servicing/warranty; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.*

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

### Arms length

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

### Constructed value

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

### Cost of production/manufacturing

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



## **Cost to make and sell**

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

## **Country of origin**

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

## **Date of sale**

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

## **Direct labour cost**

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

## **Dumping**

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

## **Dumping margin**

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

## **Export price**

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

## **Exporting country**

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

## **Factory overheads**

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

## **Goods under consideration (the goods)**

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

## **Incoterms**

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

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

## Review period

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

## Like goods

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

## Normal value

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

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

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

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

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

## **Ordinary course of trade**

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

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

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

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

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

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

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