

Received 27 August 2014

## **EXPORTER QUESTIONNAIRE**

**PRODUCT CONCERNED:** ZINC COATED (GALVANISED) STEEL FROM  
INDIA AND THE SOCIALIST REPUBLIC OF  
VIETNAM

**INVESTIGATION PERIOD:** 1 JULY 2013 - 30 JUNE 2014

**RESPONSE DUE BY:** **25 AUGUST 2014**

**ADDRESS FOR RESPONSE:** Anti-Dumping Commission  
Customs House  
1010 La Trobe Street  
Docklands VIC 3008  
Australia  
Attention: Director Operations 1

**CASE MANAGER:** Ms Heidi Matuschka  
**TELEPHONE:** +61 3 9244 8562  
**E-MAIL:** [operations1@adcommission.gov.au](mailto:operations1@adcommission.gov.au)

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

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## ABBREVIATION

HSG	Hoa Sen Group
The investigation period	1 July 2013 to 30 June 2014
HRC	Hot-rolled coil
PO	Pickling Oil
CRC	Cold-rolled coil
GI	Galvanized steel sheet
HGI	Galvanized steel sheet
TKE (Vietnamese abbreviation)	Galvanized steel sheet
GL	aluminium-zinc alloy coated steel
PPGL	pre-painted aluminium-zinc alloy coated steel
GUC	Goods under consideration
VAS	Vietnam Accounting Standard
TT	Telegraphic transfer
PI	Proforma invoice
L/C	Letter of Credit
BMT	Base Metal Thickness
Coating mass	The mass of zinc or Aluminium-Zinc (in gram) on the unit of square meter ( $m^2$ )
Zxx	The coating mass of zinc. Ex: Z10 = 100g/ $m^2$
Azxx	The coating mass of Aluminium-Zinc. Ex: Az10 = 100g/ $m^2$
P/O	Purchase order
THC	Terminal handling cost
VCI	Volatile corrosion inhibitor
CTM	Cost to make
CTS	Cost to sell
CTMS	Cost to make and sell
SG&A	Selling General and Administrative

## BACKGROUND AND GENERAL INSTRUCTIONS

### 1. BACKGROUND

Following an application by BlueScope Steel Limited (BlueScope), an Australian industry member, the Anti-Dumping Commission (the Commission) has initiated an investigation into the allegation that zinc coated steel (galvanised steel) from India and the Socialist Republic of Vietnam (Vietnam) has been exported to Australia at dumped prices, and because of that dumping material injury has been caused to an Australian industry producing like goods.

A notice advising initiation of the investigation was published in *The Australian* on 11 July 2014. Anti-Dumping Notice (ADN) No. 2014/55 outlining the details of the investigation, and the procedures to be followed during the investigation, can be accessed on the Commission's website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

### 2. THE GOODS UNDER CONSIDERATION

#### Description

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices, are described by the applicant as follows:

*'Flat rolled iron or steel products (whether or not containing alloys) that are plated or coated with zinc exported to Australia from India and Vietnam.'*

The goods are generically called galvanised steel (referring to zinc coated steel) and include galvanised steel of any width.

#### Additional information

Further information in relation to the goods was provided in the application as follows:

*The goods include the same categories of goods as identified in Trade Measures Report Nos. 190 and 193, however, this application also includes goods that are alloyed (i.e. with minor additions, e.g. boron, chromium, etc.). The goods the subject of this application include all zinc coated product options, including all grades/models of zinc coated steel, all coating mass classes and all surface treatments.*

*Trade or further generic names often used to describe these goods include:*

- *"GALVABOND®" steel*
- *"ZINCFORM®" steel*
- *"GALVASPAN®" steel*
- *"ZINCHITEN®" steel*
- *"ZINCANNEAL" steel*
- *"ZINCSEAL" steel*
- *Galv*
- *GI*
- *Hot Dip Zinc coated steel*
- *Hot Dip Zinc/Iron alloy coated steel*
- *Galvanneal*

## PUBLIC RECORD VERSION

*The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m<sup>2</sup>) with the prefix being Z (zinc) or ZF (zinc converted to a zinc/iron alloy coating). The common coating masses used for zinc coating are: Z350, Z275, Z200/Z180, Z100, and for zinc/iron alloy coatings ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.*

*Surface treatments can include but not be limited to: passivated or not passivated (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).*

*Excluded from the definition of the goods the subject of this application is painted galvanised steel, pre-painted galvanised steel, electro-galvanised steel, corrugated galvanised steel or aluminium zinc alloy coated or plated steel.*

### Tariff Classification

The application stated that the goods are classified to the following tariff subheadings:

- 7210.49.00 (statistical codes 55, 56, 57 and 58);
- 7212.30.00 (statistical code 61);
- 7225.92.00 (statistical code 38); and
- 7226.99.00 (statistical code 71).

The goods exported to Australia from India and Vietnam are subject to a DCS duty rate which is free for non-alloy steel under 7210.49.00 and 7212.30.00 and is 4% for 'other alloy' steel under 7225.92.00 and 7226.99.00.

There are several Tariff Concession Orders applicable to tariff classification subheadings 7210.49.00, 7225.92.00 and 7226.99.00 for galvanised steel.

### **3. INVESTIGATION PERIOD**

The existence and amount of any dumping in relation to galvanised steel exported to Australia from India and Vietnam will be determined on the basis of an investigation period from 1 July 2013 to 30 June 2014 (hereinafter referred to as 'the investigation period').

The Commission will examine details of the Australian market from 1 July 2008 for injury analysis purposes.

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

Your company has either been identified in BlueScope's application, by an importer of galvanised steel or in data contained within the Australian Customs and Border Protection Service's (ACBPS') import database as a potential exporter of galvanised steel to Australia during the investigation period.

Consequently, the Commission has forwarded you this questionnaire and the associated Excel spreadsheet '*Galvanised Steel - exporter questionnaire supporting data*' to provide you with the opportunity to participate and cooperate with the investigation.

The Commission will use the information you provide to determine normal values and export prices over the investigation period. This information will determine whether galvanised steel is dumped. You may make separate submissions concerning any other matter, for example injury.

## PUBLIC RECORD VERSION

The Commission investigation will be carried out under the provisions of the Part XVB of the *Customs Act 1901*. These provisions reflect the World Trade Organisation (WTO) *Anti-Dumping Agreement* (WTO Agreement).

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

You do not have to complete the questionnaire. However, if you do not respond, the Commission may be required to rely on information supplied by other parties in making its assessments as to whether galvanised steel exported to Australia was dumped (this may include information supplied by the Australian industry).

If you do not provide all of the information sought, or if you do not allow the Commission to verify the information you provide (see below), it may deem that you did not cooperate with the investigation.

In these cases the Commission may assess a dumping margin for your company based upon normal values that may be the highest determined in your country during the investigation period.

It is the Commission's objective to arrive at a recommendation to the Parliamentary Secretary to the Minister for Industry based on a full knowledge of all relevant facts. This can only be achieved if exporters cooperate. The Commission considers that your interests would be best served by providing a complete and accurate submission, capable of verification.

### 6. IF YOU DECIDE TO RESPOND

Should you choose provide a response to this questionnaire, please note the following:

#### For Official Use Only and Public Record versions

If you choose to respond to this questionnaire, you are **required** to lodge a 'FOR OFFICIAL USE ONLY' version and a 'PUBLIC RECORD' version of your submission by the due date (as specified on the cover page to this questionnaire).

In submitting these versions, please ensure that **each page** of the information you provide is clearly marked either 'FOR OFFICIAL USE ONLY' or 'PUBLIC RECORD'.

All information provided to the Commission is for official use only will be treated accordingly.

The Public Record version of your submission will be placed on the Public Record. The Public Record is available to all interested parties who may comment on the material on the Public Record. Other interested parties have the opportunity to comment on issues you have raised.

It is **not** expected that the Public Record version of your submission would include commercially sensitive information. However, it must contain sufficient detail to allow a reasonable understanding of the substance for the Official Use Only version. As provided for in Australia's anti-dumping legislation, all public version submissions are required to have a bracketed explanation of deleted or blacked out information. 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:

## PUBLIC RECORD VERSION

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a Public Record version, please contact the investigation Case Manager (see contact details on the cover page of this questionnaire).

You can access the Public Record electronically online at [www.adcommission.gov.au](http://www.adcommission.gov.au) (follow the links to 'Cases and Electronic Public Record' and 'Current Cases').

### Declaration

You are required to make a declaration at Section H that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the investigation period, you may make a declaration to that effect.

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

### Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

## 7. 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.

There is a statutory time limit imposed for the investigations. The Commission may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

The Commission would encourage you to make contact with the Case Manager (see contact details on the cover page to this questionnaire) if you need any assistance in completing the questionnaire.

**If you intend to lodge a submission but cannot do so by the due date please advise the Case Manager as soon as possible.**

In considering whether or not to grant an extension of time, regard is had to the following:

- a) difficulties in translation of documentation, including the exporter questionnaire;
- b) availability of key staff;
- c) public holidays; or
- d) any circumstance outside the company's control.

The Commission may consider granting a small extension of time for lodgement of your submission if you provide a sufficient reason as outlined above.

You may lodge your response by mailing it to the address for lodgement shown on the cover page of this questionnaire, with data requested in electronic format provided on a CD-ROM (see point 11 below).

## PUBLIC RECORD VERSION

Alternatively, you are welcome to lodge your response by email. The email address for lodgement is shown on the cover page of this questionnaire. If you lodge by email you are still required to provide a confidential and a non-confidential version of your submission by the due date.

### 8. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY

After you have submitted the questionnaire and the Commission is satisfied that the information you have provided is sufficiently complete and warrants verification, the Commission may seek to visit your company to verify the information provided.

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 may take several days. During this verification, the Commission's representatives 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. They will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. They may also need to see your factory, in which case they will need to consult with your operational managers.

After gathering the information, the Commission will prepare a report of the visit. Its representatives will provide you with a draft of the report and then respond to any questions you have. They will ask you to prepare a non-confidential copy of the report for the Public Record.

### 9. OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE

<b>Section A</b>	General information relating to your company, including financial reports.
<b>Section B</b>	A complete list of your company's exports to Australia over the investigation period.
<b>Section C</b>	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.
<b>Section D</b>	A detailed list of all of your company's sales of like goods in your domestic market.
<b>Section E</b>	Information to allow a fair comparison between export and domestic prices.
<b>Section F</b>	Information in relation to your company's exports of like goods to countries other than Australia.
<b>Section G</b>	Costs to make and sell, for exports to Australia and for the domestic market.
<b>Section H</b>	Your declaration.
<b>Section I</b>	Submission checklist.
<b>Appendix 1</b>	A glossary of terms used in this questionnaire.

### 10. 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.
- All documents and source material submitted in response to this questionnaire, including financial statements, must be translated into English.



## PUBLIC RECORD VERSION

- 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.

### 11. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA

- It is important that, where requested, information is submitted in electronic format.
- Electronic data can be submitted directly by email to the email address shown on the cover page of this questionnaire, or can be submitted on a CD-ROM by mail.
- 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.
- An Excel spreadsheet, '*Galvanised Steel - exporter questionnaire supporting data*' accompanies this questionnaire and forms a template for your response to the data requested. The spreadsheet is referred to throughout this questionnaire as appropriate. This spreadsheet (and the worksheets therein) should be completed and used to provide the requested data where possible.
- If you cannot present electronic data in the requested format contact the investigation Case Manager as soon as possible.
- Responses to questions should be as accurate and complete as possible and attach all relevant supporting documents, even where not specifically requested in this questionnaire.

Please note that answers such as 'Not Applicable' or an answer that only refers to an exhibit or an attachment may not be considered by the Commission to be adequate. The Commission therefore suggests that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

### 12. FURTHER INFORMATION

Before you respond to the questionnaire you should read all the key documentation related to this application, including ADN 2014/55 (notifying the initiation of the investigation) and the glossary of terms. It is also recommended that you access and read the non-confidential version of BlueScope's application which is available online on the electronic Public Record at [www.adcommission.gov.au](http://www.adcommission.gov.au) (follow the links to current cases and electronic public record).

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager.

Please note that the Commission may send you a supplementary questionnaire if it needs to clarify matters provided by you in the response to this questionnaire, or to seek new information.

## SECTION A - COMPANY STRUCTURE AND OPERATIONS

*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 investigation:

#### Head Office:

Name: [REDACTED]  
Position in the company: [REDACTED]  
Address: **No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An District, Binh Duong Province, Vietnam.**  
Telephone: **+84 8 3999 0259**  
Facsimile number: **+84 8 3999 0261**  
E-mail address of contact person: [REDACTED]

#### Representative Office:

Address: **No. 183, Nguyen Van Troi Street, Ward 10, Phu Nhuan District, Ho Chi Minh City, Vietnam.**  
Telephone: **+84 8 3999 0259**  
Facsimile number: **+84 8 3999 0261**  
E-mail address of contact person: **nguyen.an@hoasengroup.vn**

#### Factory:

##### **Hoa Sen Group**

Address: **No. 9, Thong Nhat Boulevard, Song Than 2 Industrial Park, Di An Ward, Di An District, Binh Duong Province, Vietnam.**  
Telephone: **+84 8 3999 0259**  
Facsimile number: **+84 8 3999 0261**  
E-mail address of contact person: [REDACTED]  
[REDACTED]

Address: **Street No. 1B, Phu My 1 Industrial Park, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam.**  
Telephone: **+84 8 3999 0259**  
Facsimile number: **+84 8 3999 0261**  
E-mail address of contact person: [REDACTED]

### A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION

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

Name: [REDACTED]  
Organisation: [REDACTED]  
Position: [REDACTED]  
Address: [REDACTED]  
Telephone: [REDACTED]  
E-mail address of contact person: [REDACTED]

*Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation 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 (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

**The legal name is “Hoa Sen Group”. Hoa Sen Group is a joint stock company listed on Ho Chi Minh Stock Exchange. Hoa Sen Group does not use any other business name to export and/or sell goods.**

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).

**Hoa Sen Group is a joint stock company listed on Ho Chi Minh Stock Exchange and has more than four thousands of shareholders. Hoa Sen Group thus provides a list of its shareholders holding more 5% amount of votes as follows:**

No.	Principal Shareholders' Name	Maximum Control
1		
2		
3		
4		

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

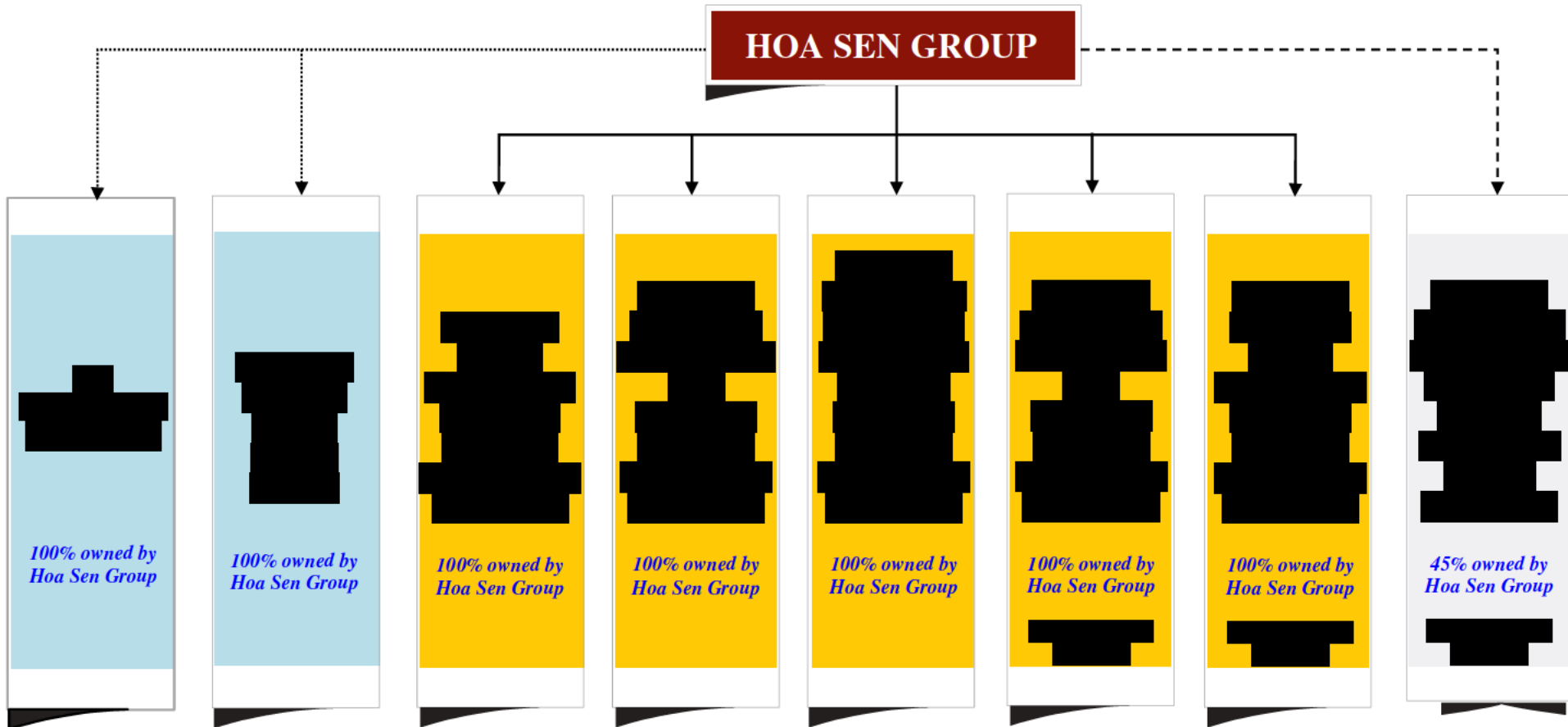
**This question is not applicable since Hoa Sen Group is not a subsidiary of any other company.**

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

**This question is not applicable since Hoa Sen Group is not a subsidiary of any other company.**

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

## MODEL OF HOA SEN GROUP



**Note:**

- : Subsidiaries
- - - : Associated company
- ..... : Dependent branches

**Public record version**

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

**This question is not applicable since there is no management fee/corporate allocation charged to Hoa Sen Group by its related companies.**

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

**Hoa Sen Group produces the following products: galvanized steel sheet, [REDACTED] coated steel sheet, [REDACTED] steel sheet, [REDACTED] coated steel sheet and purlin.**

**Hoa Sen Group sells the following products: hot rolled coil, galvanized steel sheet, [REDACTED] steel sheet, [REDACTED] steel sheet, [REDACTED] steel sheet, purlin, steel pipe and plastic pipe.**

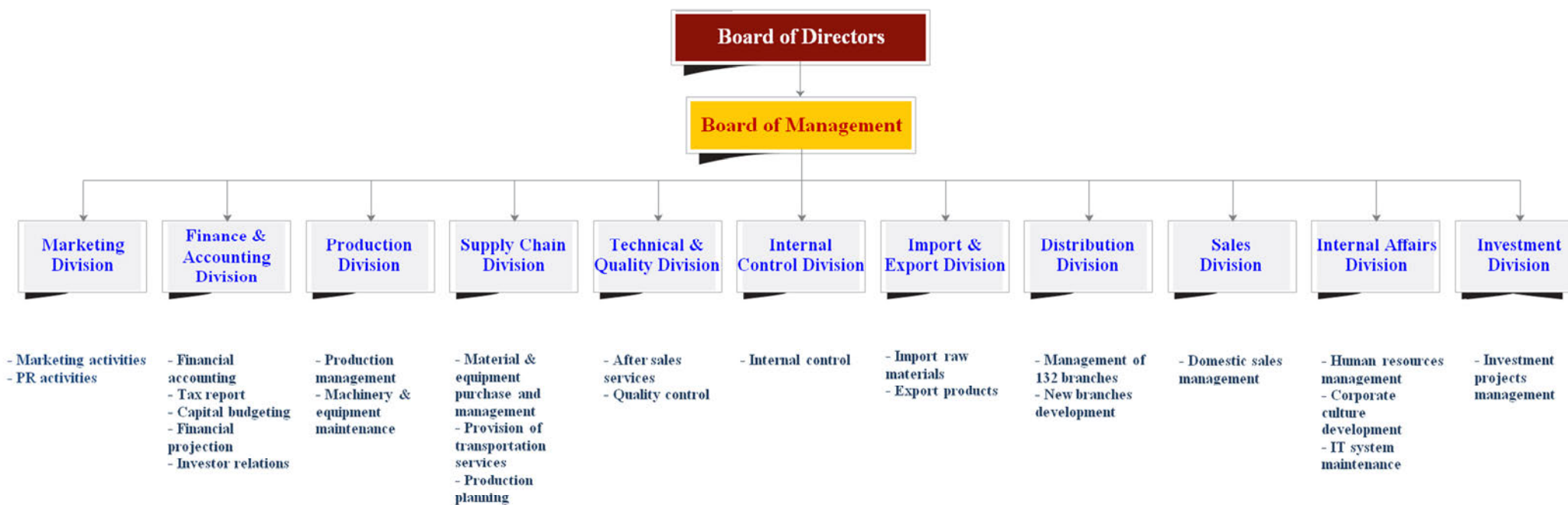
8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

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

**Hoa Sen Group performs all of these functions described above.**

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

## ORGANIZATIONAL STRUCTURE OF HOA SEN GROUP



## Public record version

10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives.

Board of Directors	
Member's name	Title

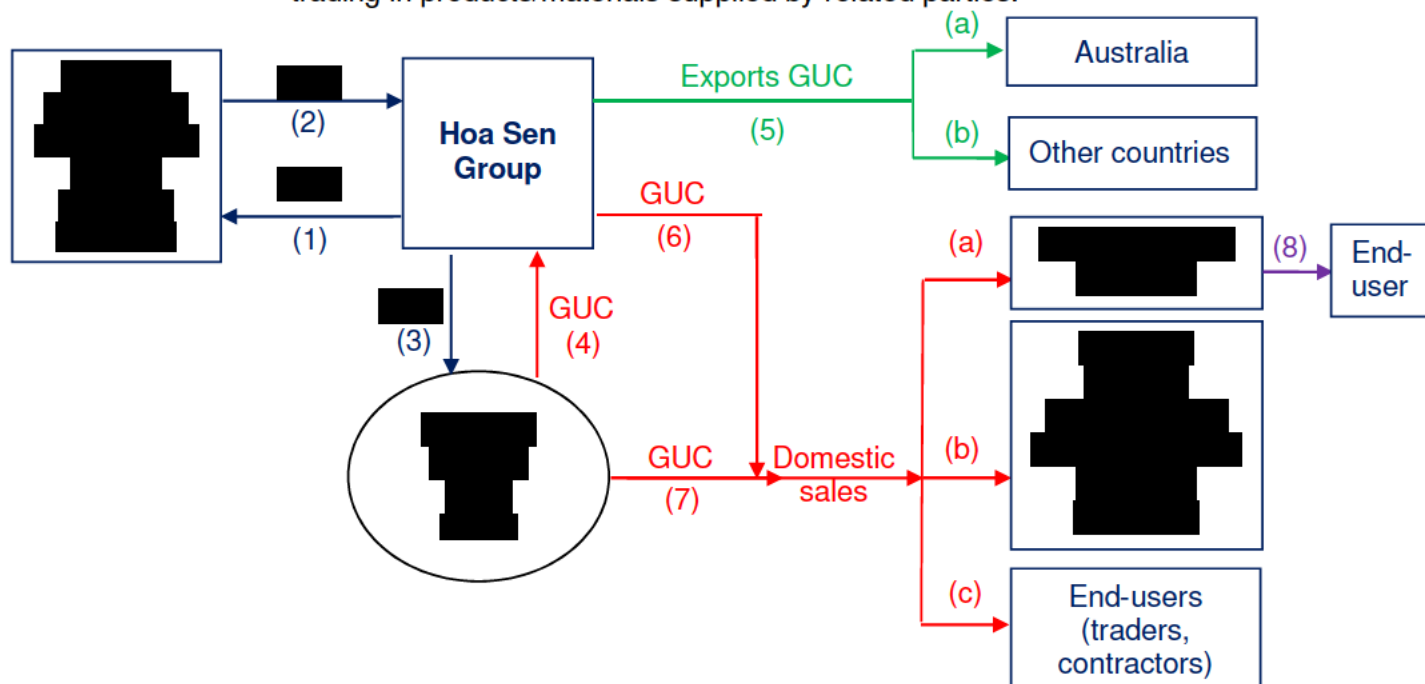
Board of Management	
Member's name	Title

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

**Please refer to Conf. Exhibit A-3.1 for Hoa Sen Group's latest annual report and Conf. Exhibit A-3.2 for Hoa Sen Group's catalogue.**

12. Provide details of **all** transactions between your company and all related parties. For example:

- supplying/selling completed or partially completed products;
- supplying/selling raw materials;
- performing management functions (including any financial functions);
- processing (including toll processing) of any raw materials, intermediary or completed products; or
- trading in products/materials supplied by related parties.



**PUBLIC RECORD VERSION**

- (1) Hoa Sen Group sells different categories of goods, mainly hot rolled coil to its subsidiary - [REDACTED].
- (2) [REDACTED] sells different categories of goods, mainly [REDACTED] coil to Hoa Sen Group.
- (3) Hoa Sen Group sells [REDACTED] to [REDACTED] – a dependent branch of Hoa Sen Group to produce different categories of goods including the goods under consideration (GUC).
- (4) [REDACTED] sells the GUC and other products to Hoa Sen Group
- (5) Hoa Sen Group exports different categories of goods including the GUC to (a) Australia and (b) other countries.
- (6) and (7) Both Hoa Sen Group and [REDACTED] (company name) sells different categories of goods including the GUC to:
  - (a) Hoa Sen Group's [REDACTED] (#) branches which in turn sell products to end-users (8);
  - (b) Hoa Sen Group's subsidiary - [REDACTED] (company name)
  - (c) End-users (traders, contractors)

Besides:

- Hoa Sen Group buys different categories of goods which are steel pipe and plastic pipe from [REDACTED]
- Hoa Sen Group buys transportation services from [REDACTED]
- Hoa Sen Group leases workshops, equipment and machinery to [REDACTED]
- Hoa Sen Group leases workshops, equipment and machinery to [REDACTED]

(company names deleted)

**A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION**

1. Indicate your accounting period.  
Hoa Sen Group's normal corporate financial accounting period is from 1<sup>st</sup> October to 30<sup>th</sup> September.
2. Indicate the address where the company's financial records are held.  
Hoa Sen Group keeps its financial records at the representative office:  
No. 183, Nguyen Van Troi Street, Ward 10, Phu Nhuan District, Ho Chi Minh City, Vietnam.
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;
  - audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); and



## PUBLIC RECORD VERSION

- 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 investigation.

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 overall.

Please refer to:

- **Conf .Exhibit A-4.1 for chart of accounts**
- **Conf. Exhibits:- A-4.2, A-4.3, A-4.4, A-4.5, A-4.6 and A-4.7 for audited consolidated financial statements and audited separate financial statements**
- **Conf.Exhibit A-4.8a and Conf exhibit A-4.9a for quarterly consolidated financial statements and quarterly separate financial statements (translated version)**

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.

**This question is not applicable since Hoa Sen Group is required to have the financial statements audited in its normal course of business.**

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

**Hoa Sen Group applies Vietnam Accounting Standard (VAS) as the generally accepted accounting principle in Vietnam.**

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 (e.g. last in first out – LIFO, first in first out – FIFO, weighted average);

**Hoa Sen Group values raw material, work-in-process and finished goods inventories on the basis of perpetual weighted average method.**

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

**Hoa Sen Group uses direct costs method.**

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

**Valuation methods for damaged and sub-standard goods are based on market price but need to be approved by the Board of Management.**

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

**Valuation methods for scrap are based on market price but need to be approved by the Board of Management. There are no by products or joint products incurring from production process.**

- valuation and revaluation methods for fixed assets;

## PUBLIC RECORD VERSION

The valuation of fixed assets shall be determined according to the historical cost which is consisting of the buying price, taxes and other expenses directly related to the putting of the assets into the ready-to-use state.

After initial recognition, during the process of using, fixed assets shall be determined according to their historical costs, depreciation and residual values.

There is no revaluation for fixed assets incurred to Hoa Sen Group during the investigation period.

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

Fixed assets are depreciated by using the straight-line method over their estimated useful lives within the time period as follows:

- Buildings: [REDACTED] years
- Machinery & equipment: [REDACTED] years
- Motor vehicles: [REDACTED] years
- Office equipment: [REDACTED] years
- Others: [REDACTED] years

Land use rights which have definite term are amortised, using the straight-line method over number of years in accordance with the terms indicated in each land use right certificate. Land use rights which are granted for an indefinite term are carried at cost and not amortised.

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

Foreign exchange gains are recorded as financial income and foreign exchange losses are recorded as financial expenses in the following transactions:

- For payment of short-term and long-term loans denominated in foreign currency, gains or losses are calculated on the basis of transaction rates of commercial banks on the date of receiving the loans and transaction rates of commercial banks on the date of paying the loans.
- Revaluation is only performed at the end of the first six months of the fiscal year (31<sup>st</sup> March) and at the end of the fiscal year (30<sup>th</sup> September):
  - For revaluation of short-term and long-term loans denominated in foreign currency, gains or losses are calculated on the basis of transaction rates of commercial banks on the date of receiving the loans and transaction rates of commercial banks on the date of revaluation (31<sup>st</sup> March or 30<sup>th</sup> September).
  - For revaluation of accounts receivable and accounts payable denominated in foreign currency, gains or losses are calculated on the basis of inter-bank average exchange rate on the date of those transactions and transaction rates of commercial banks on the date of revaluation (31<sup>st</sup> March or 30<sup>th</sup> September).

## PUBLIC RECORD VERSION

- For revaluation of deposits denominated in foreign currency, gains or losses are calculated on the basis of deposit balance at each bank on the date of revaluation and transaction rates of commercial banks on the date of revaluation (31<sup>st</sup> March or 30<sup>th</sup> September).

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

**Hoa Sen Group is a wholly Vietnamese owned company so it only uses VND for accounting entries and financial statements in accordance with Vietnam Accounting Standard (VAS). Therefore this question is not applicable.**

- inclusion of general expenses and/or interest;

**General expenses and interest expenses which are incurred prior to completion of the fixed asset will be capitalized to its historical cost. These capitalized expenses are then depreciated over the useful life of the fixed asset.**

- provisions for bad or doubtful debts, and treatment thereof in your accounts;

**Provisions for bad or doubtful debts must be set up at the end of each fiscal year and recorded on the account of provision for doubtful receivables. The additional expenses arising from establishing provision for bad or doubtful debts will be recorded on the account of general and administration expenses.**

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

**Expenses for idle equipment and plant shut-downs are recorded on the account of general and administration expenses. However, there is no expense for plant shut-downs incurred to Hoa Sen Group during the investigation period.**

- costs of plant closure;

**The question is not applicable since there is no cost of plant closure incurred to Hoa Sen Group during the investigation period.**

- restructuring costs;

**The question is not applicable since there is no restructuring cost incurred to Hoa Sen Group during the investigation period.**

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

**Scrap is [REDACTED] I. It is sold at market price and recorded on the account of revenues from sale of goods and rendering of services.**

- effects of inflation on financial statement information.

**The question is not applicable since there is no effect of inflation reflected in Hoa Sen Group's financial statements.**

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.

**Hoa Sen Group does not change any of the accounting methods over the last two years.**

**A-5 INCOME STATEMENT**

Please complete the worksheet titled '**Income Statement**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Explain how costs have been allocated between all products and the goods under consideration within these calculations.

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.

**Please refer to the Conf. worksheet "Income Statement (A5)".**

**Please refer to the worksheet "Explanation for A5" to demonstrate the allocation method.**

**A-6 SALES**

Please complete the worksheet titled '**Turnover**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

State your company's net turnover (after returns and all discounts) and free of duties and taxes. Use the currency in which your accounts are kept.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

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

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.

**Please refer to the Conf.worksheet "Turnover (A6)".**

## 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 free-on-board (FOB) point, but the Commission may also compare prices at the ex-factory level.*

*You should report prices of **all** goods under consideration **shipped** to Australia during the investigation 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 Section B-4 below); and*
- an alternative date should be used when comparing export and domestic prices,*

*then 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 investigation period.*

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

- name;
- address;
- contact name and phone/fax number, where known; and
- trade level (e.g. distributor, wholesaler, retailer, end user, original equipment manufacturer).

**Please refer to Conf .Exhibit B-1 for List of buyers in Australian market**

**B-2** For each customer identified in Section B-1 please provide the following:

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

**For all the Australian sales, HSG delivers the GUC to ports nominated by the customers.**

- 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.

**There was no agent representing HSG involved in this process. There was no commission paid by HSG to any party.**

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

**The ownership of the goods at each stage depends on the delivery terms.**

**For FOB term, the ownership belongs to customer when the goods are on board.**

**For FAS term, the ownership belongs to customer when goods are alongside ship.**

**As for CIF and CFR terms, the ownership transferred to customer when the goods arrived Australian ports.**

**HSG does not make sales of GUC to Australia on DDP basis during the investigation period.**

- 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).

**HSG does not enter into any agency or distributor agreements in relation to the Australian market.**

- 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.

**HSG's sales of GUC to Australia involved HSG itself and its customers.**

**Receive enquiry:**

- **HSG receives enquiries from customers via email or telephone.**

**Price negotiation:**

- **HSG offers price to customer. The customer bid either be accepted right away or HSG may make counter offers.**

**Purchase Order receiving:**

- **After the price and sales conditions are agreed, the customer and HSG signs the sales contract. In case [REDACTED] is the chosen method of payment, the customer must pay an amount of money [REDACTED], [REDACTED] delivery of goods. [REDACTED].**
- **(confidential text on payment terms)**

**Delivery of the Goods:**

- **Once the goods are ready for shipped, HSG will get the booking or inform the customer to get the booking space and ship out the goods (for vessel). Mostly, HSG delivers cargos with bulk vessels but occasionally it also ships out through containers depending on the term of delivery.**

**Payment receiving:**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**(confidential text on payment process and pricing)**

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

**HSG is not related to its Australian customers.**

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

**HSG does not have any long-term contract or forward contract of the GUC in relation to sales to Australia.**



## PUBLIC RECORD VERSION

- 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.

**This question is not applicable since HSG has not had the distribution channel for Australian market.**

- B-4** Complete the worksheet titled '**Australian Sales**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

This spreadsheet should list **all** shipments to Australia (i.e. transaction by transaction) **of the goods under consideration** in the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The table below provides information as to what is meant by each column heading within the worksheet.

COLUMN HEADING	EXPLANATION
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 (i.e. Base Metal Thickness, width, zinc coating mass, grade, finish)
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 the invoice date as being the date of sale.
Shipping terms	Delivery terms: e.g. CIF, C&F, FOB, DDP (in accordance with the Incoterms outlined in Appendix 1)
Payment terms	Agreed payment terms, for example 60 days = 60 etc
Quantity	Quantity in units (as shown on the invoice). Show basis, e.g. kilograms.
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 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

## PUBLIC RECORD VERSION

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 FOB 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 and ancillary expenses*	Handling, loading and ancillary expenses. For example, terminal handling, export inspection, wharfage and other port charges, container tax, document fees and customs brokers fees, clearance fees, bank charges, letter of credit fees and other ancillary charges incurred in the exporting country
Warranty and guarantee expenses*	Warranty and guarantee expenses
Technical assistance and 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 Section B-2 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 Section B-5.

### Notes:

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

\*\* 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 worksheet.

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 investigation period.

Freight allocations must be checked for consistency. Conf SPREADSHEET B 4 refers.

**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 Section 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.

**This question is not applicable since there is no other cost incurred.**

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

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

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 Section B-4. If they vary by customer or level provide an explanation.



## PUBLIC RECORD VERSION

The price is only affected by the quantity of order. The amount of discount follows this table which board of management approved:

No.	Quantity of order (tones/ order)	Amount of discount (USD/ ton)
1		
2		
3		
4		
5		
6		

Please note: The price listed on the commercial invoice is after discount.

There is no rebate system in HSG.

- 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 Section B-4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

**This question is not applicable since there is no credit note issued to the customers in Australia.**

- B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. DDP), insert additional columns in the worksheet 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)

**This question is not applicable, since there is no delivery term making HSG responsible for arrival of the goods at an agreed point within Australia.**

- B-9** Select two shipments, in different quarters of the investigation 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.

**The selected two shipments are [REDACTED] and [REDACTED], please refer to Conf. Exhibit B-9.1 and Conf. Exhibit B-9.2**

**Including:**

1. P/O
2. Invoice
3. Bill of lading
4. Freight Invoice

5. Marine Insurance

6. Letter of credit

## SECTION C - EXPORTED GOODS AND LIKE GOODS

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

During the investigation period, we had exported 3 types of product including: "Galvanized steel sheet" (hereinafter called "GI"), "[REDACTED]" and "[REDACTED]".

(confidential text on other products )

HSG exports GUC to Australia under the Australian Standard AS 1397 or Japanese Standard JIS G3302. There was minor number of contracts [REDACTED] listed above.

The specification details (include grade of the product) are demonstrated in the tables of C-2.

- C-2** List each model/type of goods exported to Australia (these models should cover all models listed in the worksheet 'Australian Sales' – see Section B of this questionnaire).

In reporting the information in the column "Model" of the "Australian Sales" and the "Domestic Sales" listings, HSG classifies the product by its characteristics including (1) width, (2) thickness, (3) coating mass, (4) Grade of product and (5) product type.

For GI

Width range	(1)	[REDACTED]
Thickness	(2)	[REDACTED]
Coating mass	(3)	[REDACTED]
Grade of product	(4)	[REDACTED]
Product type	(5)	[REDACTED]

[REDACTED]

Width range	(1)	[REDACTED]
Thickness	(2)	[REDACTED]
Coating mass	(3)	[REDACTED]
Grade of product	(4)	[REDACTED]

**PUBLIC RECORD VERSION**

<b>Product type</b>	(5)	
---------------------	-----	--

<b>Width range</b>	(1)	
<b>Thickness</b>	(2)	
<b>Coating mass</b>	(3)	
<b>Grade of product</b>	(4)	
<b>Product type</b>	(5)	

- C-3** If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (i.e. the like goods – see explanation in glossary of terms) are not identical to goods exported to Australia. Make sure that you identify the grade of each model/type that is sold domestically.

This should be done by completing the worksheet titled '**Like Goods**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire, detailing as follows:

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

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
GI ■	GI ■	NO	There are differences in terms of width, coating mass and BMT.

**Notes:**

■ GI: Galvanized steel sheet (BMT<0.55mm)

■ Galvanized steel sheet (BMT >=0.55mm)

**PUBLIC RECORD VERSION**

- 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.

**Goods in the “Domestic sales” are classified by the same method as in “Australia Sales”.**

## 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 of **like goods** (to the goods under consideration) made during the investigation 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 Manager **before** completing the questionnaire.*

*If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission's 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 investigation period.*

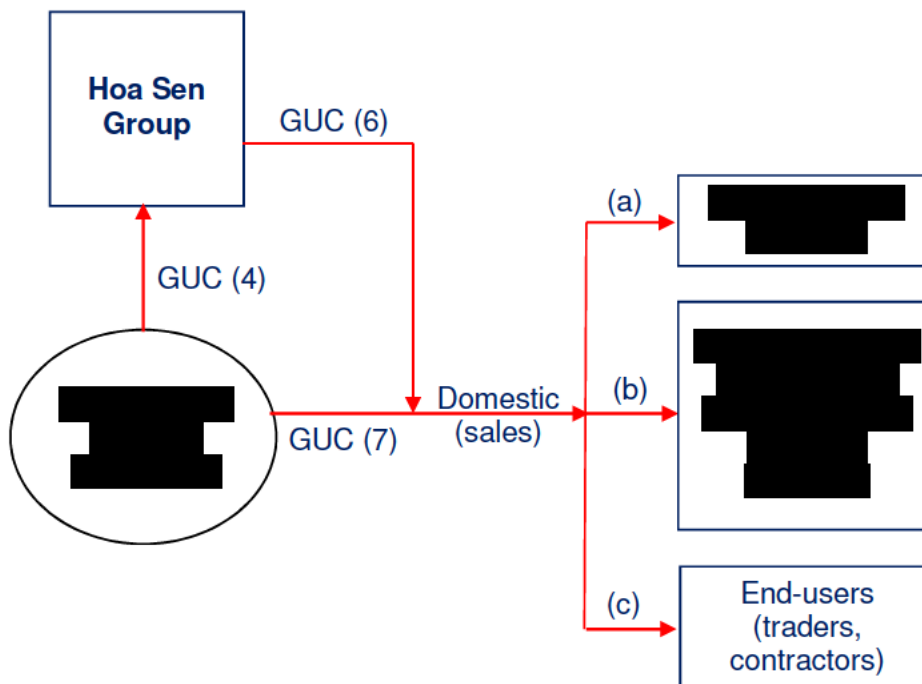
*If, in response to Section B-4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

*If you do not have any domestic sales of like goods you must contact the Case Manager 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;
- information concerning the functions/activities performed by each party in the distribution chain; and

**In domestic market, HSG sells like goods to customer following the diagram.**



**PUBLIC RECORD VERSION**

(4) Hoa Sen [REDACTED] sells the GUC and other products to HSG

(6) and (7) Both HSG and Hoa Sen [REDACTED] sells different categories of goods including the GUC to:

(a) HSG's [REDACTED] which in turn sell products to end-users (8);

(b) HSG's subsidiary - [REDACTED]

(c) End-users (traders, contractors): [REDACTED]

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

Please refer to Exhibit D-1 for the contract between HSG and [REDACTED] or end-users

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.

As described in the above diagram, HSG [REDACTED] branches and one subsidiary - [REDACTED]. The selling price, to those associated, will be explained clearly in the answer of D-2.

**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.

**HSG provides the different prices for each separate distribution channel:**

The price for [REDACTED] branches is determined based on the ex-work price.

The price for [REDACTED] is agreed by the parties.

The price for End-users (6c) and (7c) is based on market price but need to be approved by the Board of Management.

**D-3** 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
- whether price includes the cost of delivery to customer.

**The ordinary trade processing of like goods in domestic market follows 5 steps (for unrelated transactions)**

**Receiving enquiry:**

- HSG receives enquiry via email or telephone.

**Checking availability:**

- Salesman then checks inventory or the availability of materials and production capacity.

**Price negotiation:**



## PUBLIC RECORD VERSION

- HSG offers prices to customer. There are two terms of delivery. In case delivery term makes HSG responsible for arrival of the goods at an agreed point, the transportation charge is added to the selling price. Otherwise, customer needs to send trucks to load goods at HSG warehouse, the transportation charge then is cleared on the invoice.

### Negotiation & confirmation:

- Depends on sales term, HSG and customer negotiate in order to get deal.

### Payment and delivery:

- As soon as goods are ready, HSG informs customer to arrange delivery of goods and balance is paid.

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

HSG use Ex-work price list for channel (6a) and (7a) to set the selling price for [REDACTED]

**D-4**

Complete the worksheet titled '**Domestic Sales**' in the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

This worksheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) made during the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The table below provides information as to what is meant by each column heading within the worksheet.

COLUMN HEADING	EXPLANATION
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	For example, ex-factory, free on truck, delivered into store
Payment terms	Payment terms agreed with the customer, for example 60 days = 60 etc
Quantity	Quantity in units shown on the invoice, for example kilograms
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 %age discount applies show that %age 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

## PUBLIC RECORD VERSION

Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as recorded in 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 and ancillary expenses
Warranty and guarantee expenses*	Warranty and guarantee expenses
Technical assistance and 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 Section D-5.

### Notes

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

**Please note: The Conf. SPREADSHEET ON section D-4 contains all domestic sales of like goods transactions following part (6) and (7) of the diagram in section D-1.**

- 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 Section D-4 above, add a column for each item (see 'other factors'). For example, certain other selling expenses incurred.

**This question is not applicable since there is no other cost incurred.**

- D-6** For each type of commission, discount, rebate or allowance offered on domestic sales of like goods:

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

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 Section D-4.

**This question is not applicable since there is no commission, discount, rebate or allowance offered on domestic sales of like goods.**

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.

**There is no credit note issued by HSG to its domestic customer.**



## PUBLIC RECORD VERSION

- D-7** Select two domestic sales, in different quarters of the investigation 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; and
- bank documentation showing proof of payment.

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

**Please refer to Conf. Exhibit D-7.1 and Exhibit D-7.2**

**Including:**

- 1. Order confirmation**
- 2. Delivery notification**
- 3. Letter of recommendation**
- 4. VAT invoice**
- 5. Bank documents**

## **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 (i.e. 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 investigation 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 Section 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.

**We hire transportation companies to perform container and bulk cargo towing services to the port of loading.**

**For the cost of each transaction, please refer to Conf. worksheet Australian sales.SPREADSHEET B4.**

**Also, various shipments to Australia were in Full Container Loads (FCL's).**

[REDACTED]

[REDACTED]

[REDACTED]

**(Australian Customs notice re packing of FCL'S is referred to)**

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 and 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 Section B-4, 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; and
- other ancillary charges.

**Export price includes following but also refer to previous response on FCL's:**

- **Packing cost: including stuffing charge, fumigation fee.**
- **Handling and other cost: including THC, seal, document, custom fee.**

[REDACTED]

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at Section B-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales, e.g. 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.

**This question is not applicable. All sales terms are [REDACTED] and [REDACTED] therefore HSG does not require credit expense.**

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**'.

**Cost of packing relating to inner/outer/side steel cover, inner/outer steel, cover paper, circumferential/radial belt, band seal, sticker, VCI paper materials and direct labour.**

**Please note that the packing method and the cost are not different between export and domestic. These packing costs are different to the FCL packing/stuffing costs.**

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 Section B-4 under the column headed '**commissions**'. Identify the general ledger account where the expense is located.

**This question is not applicable since there is no commission incurred.**

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ('**warranty and guarantee expenses**' and '**technical assistance and 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.

**HSG offers the warranty policy. All costs arising from quality claim is located on the account of other expenses**

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.

**This question is not applicable.**

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 investigation (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 investigation period.

**This question is not applicable.**

**E-2 COSTS ASSOCIATED WITH DOMESTIC SALES**

These cost adjustments will relate to your responses made at Section D-4, '**domestic sales**'.

*The following items are not separately identified in the amounts quantified at Section 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 (SG&A) costs, 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.

**This question is not applicable since the cost to make of GUC exported to Australia and cost to make of like goods on domestic market already reflect the differences in thickness, coating mass, width between them as mentioned in the worksheet "Domestic CTMS" and "Australian CTMS".**

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,

then 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 and Countervailing Measures* provides:

'[d]rawback 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'.

## **PUBLIC RECORD VERSION**

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.

**This question is not applicable. There is no duty drawback factor.**

3. Level of trade

Section 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 manufacturer.

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.

There is a Level of Trade consideration-

**HSG provides the different prices for each separate distribution channel:**

**The price for 1 [REDACTED] is determined based on the historical cost.**

**The price for [REDACTED] is agreed by parties.**

**The price for end-users is based on market price but needs to be approved by the Board of Management**

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at Section 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 borrowings 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 investigation 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.

## PUBLIC RECORD VERSION

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:

*a) 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 two; or
- total monthly receivables divided by 12.

*b) Calculate the average credit period*

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

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

**For the domestic sales to third party that have the credit factor, there are two cases:**

- 1. For the loyal customers,** [REDACTED]
  - 2. For other customer the credit charge is** [REDACTED]
- For dependent branches and subsidiary,** [REDACTED]

The following items are identified in the amounts quantified at Section 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.

**For the cost of each transaction, please refer Conf.worksheet Domestic sales.**

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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.

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.

**This question is not applicable since there are not handling, loading and ancillary expenses occurred in 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'**.

**Please note that the packing method and the cost are not different between export and domestic.**

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description; and
- 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.

**This question is not applicable since there is no commission incurred.**

9. Warranties, guarantees and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (**'Warranty and guarantee expenses'** and **'technical assistance and 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.

**HSG offers the warranty policy. All costs arising from quality claim is located on the account of other expenses**

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;

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- 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.

**Royalty/patent fee: not applicable**

**[REDACTED] not applicable**

**Other factors such as advertising, marketing, bad debt expense, [REDACTED] etc incurred only on domestic are recorded and allocated on the Conf. worksheet “Domestic CTMS”.**

### **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.

**Please refer to worksheet “Explanation of G3 & G4 – CTS”, the method we implemented has already ensured that there is no duplication.**

## 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.

Complete the worksheet titled **'Third Country Sales'** within the *'Galvanised Steel - exporter questionnaire supporting data'* spreadsheet provided alongside this questionnaire.

This worksheet should list **all** export sales of like goods (i.e. transaction by transaction) to countries other than Australia in the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The table below provides information as to what is meant by each column heading within the worksheet.

COLUMN HEADING	EXPLANATION
Country	Name of the country that you exported like goods to over the investigation period
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation 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 investigation period
Unit of quantity	Show unit of quantity, for example kilograms
Value of sales	Show net sales value to all customers in the third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the third country, for example 60 days = 60 etc
Shipment terms	Typical shipment terms to customers in the third country, for example CIF, FOB, ex-factory, DDP etc

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

**Export sales to Australia and to third countries are affected by different market situations and factors applied to each such market. However, the costing methods are not different between Australia and other third countries.**

## 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 – i.e. 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 SG&A costs relating to goods sold on the domestic market, the finance expenses and any other expenses (e.g. non-operating expenses not included elsewhere) associated with the goods.*

*In your response please include a worksheet showing how the SG&A expenses, the finance expenses and any other expenses have been calculated.*

*If, in response to Section B-4 (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),*

*then 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 investigation 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

1. 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.

**Please refer to Conf. Exhibit G-1**

2. Complete the worksheet titled ‘**production**’ within the ‘*Galvanised Steel - exporter questionnaire supporting data*’ spreadsheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

G-2 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.

**HSG only maintains its management accounting system to calculate production costs for daily management reports.**

**Therefore,** [REDACTED]

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 (i.e. differences between standard and actual production costs) have been allocated to the goods and describe how those variances have been allocated.

**The question is not applicable since HSG's cost accounting system is based on actual costs.**

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

**The question is not applicable since there was no significant or unusual cost variance during the investigation period.**

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

**HSG only has the cost centres in its cost accounting system. The cost of each production line is calculated and allocated on the basis of the production volume of the production line concerned.**

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.

**The method of allocating costs to the GUC is described as follows:**

- **The cost of each [REDACTED] coil is allocated to finished products which are produced from this [REDACTED] coil.**
- **The daily raw material consumption (including zinc and other raw materials) of each production line is recorded in its cost centre. The cost of zinc is allocated on the basis of the coating mass (g/m<sup>2</sup>) of finished products which are produced from this production line. The costs of other raw materials are allocated on the basis of squared meter of those finished products.**
- **The daily direct labour cost of each production line is calculated on the basis of the total direct labour cost planned monthly and the planned number of operating days of this production line. The direct labour cost is allocated on the basis of squared meter of finished products which are produced from this production line.**
- **The daily manufacturing overheads of each production line are calculated on the basis of the total manufacturing overheads planned monthly and the planned number of operating days of this production line. The manufacturing overheads are allocated on the basis of squared meter of finished products which are produced from this production line.**
- **The slitting cost and shearing cost of the slitting line and shearing line are allocated on the basis of product weight (kg). These costs are**



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recorded in other costs in the Conf. worksheets “Domestic CTMS (G3)” and “Australian CTMS (G4)”.

6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.
- For base metal thickness (BMT): the difference in BMT is reflected on the unit cost of [REDACTED] coil.
  - For width: the difference in width is reflected on the unit cost of [REDACTED] coil or slitting expense (if any).
  - For coating mass (g/m<sup>2</sup>): the difference is in the unit cost of each coating mass. For example:
    - Z180: [REDACTED] of zinc per square meter
    - Z275: [REDACTED] of zinc per square meter

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

The calculation of production costs is the same between cost management 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.

HSG engaged in a start-up operation of establishing new hot galvanizing line ([REDACTED]) with its total designed capacity of [REDACTED] tons/year in the investigation period.

The day of starting the project is on [REDACTED].

The operating day is on [REDACTED]

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.

The total investment of the hot galvanizing production line is VND [REDACTED]

The date of starting depreciation is on [REDACTED]

This historical cost of [REDACTED] is recorded as an increase on the account of fixed assets.

### G-3 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>

Complete the worksheet titled ‘Domestic CTMS’ within the ‘Galvanised Steel - exporter questionnaire supporting data’ spreadsheet provided alongside this questionnaire.

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

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Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell **each** model/type (identified in Section C) of the like goods sold on the domestic market. Please specify unit of currency.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

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.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address on the cover page of this questionnaire.

**Please refer to the worksheet “Domestic CTMS (G3)”**

**Please refer to the Conf.worksheets “Explanation for G3 & G4 – CTM” and “Explanation for G3 & G4 – CTS” to demonstrate the allocation method.**

### **G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)**

Complete the worksheet titled ‘**Australian CTMS**’ within the ‘*Galvanised Steel - exporter questionnaire supporting data*’ spreadsheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell **each** model/type (identified in Section C) of the like goods sold on the domestic market. Please specify unit of currency.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

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.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover page of this questionnaire.

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

Please refer to the worksheet “Australian CTMS (G4)”

Please refer to the Conf. worksheets “Explanation for G3 & G4 – CTM” and “Explanation for G3 & G4 – CTS” to demonstrate the allocation method.

- G-5** Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

The following expenses are only allocated to goods sold to the domestic market:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The reason is that the above expenses are only related to HSG brand name development in the domestic market (such as [REDACTED]) as well as domestic sales development (such as [REDACTED] for domestic sales and [REDACTED] for domestic sales)

The following expenses are only allocated to exported goods :

- Export levies: ocean freight, marine insurance, packing, handling and others.
- Transportation expense for export

- G-6** 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.

There are no differences between the costs shown and the costs as normally determined in accordance with the general accounting system.

- G-7** In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc) to determine the unit cost differs from the prior practice of your company.

The allocation method used to determine the unit cost is same as the prior practice of HSG.

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**G-8** List major raw material costs, which individually account for 10% or more of the total production cost.

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (e.g. market prices, transfer prices or 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 1901*. 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.

The major raw materials are [REDACTED] coil and zinc.

[REDACTED] coil is purchased from the following suppliers:

- [REDACTED] Company
- [REDACTED] Company

Zinc is purchased from the following suppliers:

- [REDACTED]
- [REDACTED]
- [REDACTED]d

The purchase price of the major raw materials includes the invoice price and transportation expense.

**SECTION H - EXPORTER'S DECLARATION**



I hereby declare that **Hoa Sen Group** did, during the period of investigation 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.

**Name** : **TRAN NGOC CHU**

**Signature** : .....

**Position in** : **GENERAL DIRECTOR**

**Company** : **HOA SEN GROUP**

**Date** : **AUGUST 25, 2014**

## 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 checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" type="checkbox"/>
Section D – domestic price	<input checked="" type="checkbox"/>
Section E – fair comparison	<input checked="" type="checkbox"/>
Section F – exports to third countries	<input checked="" type="checkbox"/>
Section G – costing information	<input checked="" type="checkbox"/>
Section H – declaration	<input checked="" type="checkbox"/>

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

## APPENDIX 1 - GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

### Adjustments

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

Examples of adjustments that may be made include:

- sales occurring at different times (it is sometimes necessary to compare domestic and export sales made at different times – in these circumstances an adjustment may be made to reflect price movements during that time);
- specification differences;
- packaging;
- taxes;
- level of trade;
- advertising;
- servicing/warranty;
- inland freight;
- warehousing;
- export charges;
- credit terms;
- duty drawback; and
- 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, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for SG&A 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 SG&A costs associated with the sale of those goods.

**Country of origin**

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

**Date of sale**

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

**Direct labour cost**

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

**Dumping**

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

**Dumping margin**

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

**Export price**

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the 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, i.e. power, supplies and indirect labour, as well as fixed costs, i.e. factory rent, insurance and depreciation.

**Goods under consideration (the goods)**

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

## **Incoterms**

The following abbreviations are commonly used. Comment is provided concerning costs that are normally borne by the seller:

EXW	ex-works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free-on-board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance)

*NB: the terms CFR and CIF are only used where goods are carried by sea or waterway transport.*

CPT	carriage paid to
CIP	carriage and insurance paid to

*NB: 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 customers 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)

## **Investigation 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.

## **PUBLIC RECORD VERSION**

However, the expenses must 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.

## PUBLIC RECORD VERSION

### PUBLIC RECORD

(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

## SECTION H - EXPORTER'S DECLARATION

I hereby declare that **Hoa Sen Group** did, during the period of investigation 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.

Name : TRAN NGOC  
CHU



Signature : .....

Position in : GENERAL

DIRECTOR Company : HOA

SEN GROUP

Date : AUGUST 25,  
2014