

# **International Trade Remedies Branch**

# EXPORTER QUESTIONNAIRE – TAIWAN, JAPAN, THE REPUBLIC OF INDONESIA AND THE REPUBLIC OF KOREA

PRODUCT CONCERNED:

HOT ROLLED PLATE STEEL FROM

THE PEOPLE'S REPUBLIC OF CHINA,

THE REPUBLIC OF KOREA, THE

REPUBLIC OF INDONESIA, JAPAN AND

**TAIWAN** 

**INVESTIGATION PERIOD:** 

1 JANUARY TO 31 DECEMBER 2012

**RESPONSE DUE BY:** 

4 APRIL 2013

ADDRESS FOR RESPONSE:

**International Trade Remedies Branch** 

**Australian Customs and Border Protection** 

Service

5 Constitution Avenue Canberra act 2601

Australia

**Attention: Director Operations 3** 

CASE MANAGER:

Mr Mick Kenna & Mrs Michelle Gibson

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

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# 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:

Mr. Pan, Che Jen

Position in the company:

Administrator,

Address:

Commercial Administration Department 317, Yu Liao Road, Chiao Tou District

Kaohsiung City 825, Taiwan.

Telephone:

886-7-6117171 Ext.3015~3018

Facsimile number:

886-7-6130471

E-mail address of contact person: ch25290@chsteel.com.tw

#### Factory:

Address:

No. 576, Hsing Lung Street, Chia Hsing

Li, Gangshan District, Kaohsiung City

825, Taiwan, R.O.C.

Telephone:

886-7-6117171 Ext.3015~3018

Facsimile number:

886-7-6130471

E-mail address of contact person: ch25290@chsteel.com.tw

# 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:

Organisation:

Position:

Address:

Telephone:

Facsimile/Telex number:

E-mail address of contact person:

Note that in nominating a representative, Customs and Border Protection will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

Not applicable.

# A-3 COMPANY INFORMATION

1. What is the legal name of your business?

Chung Hung Steel Corporation ("CHS").

What kind of entity is it (e.g. company, partnership, sole trader)?

CHS is a company limited by shares established in accordance with the Company Law of Taiwan.

Please provide details of any other business names that you use to export and/or sell goods.

#### CHS has no other business names.

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).

CHS is a publicly traded company and listed in the Taiwan Stock Exchange. As such, the holding of each shareholder may vary by trading in the stock market. CHS is a subsidiary of China Steel Corporation ("CSC"), which is also a publicly traded company and listed in Taiwan Stock Exchange.

Based on the shareholders' roster dated as of December 31 2012, only one shareholder, CSC, owns more than 5% of CHS's shares as indicated below.

Name of shareholder	Percentage of shareholding	Activity of shareholder
China Steel Corporation (CSC)		Integrated Mill

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

CSC is a publicly traded company and listed in the Taiwan Stock Exchange. As such, the holding of each shareholder may vary by trading in the stock market.

Based on the shareholders' roster dated December 31, 2012, only one shareholder owns more than 5% of CSC's shares as indicated below.

Name of shareholder	Percentage of shareholding	Activity of shareholder

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

Not applicable. CSC is not a subsidiary of another company.

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

CHS became an affiliate of CSC since February 21, 2000 when CSC purchased CHS's shares and became the largest shareholder of CHS. Please refer to Confidential Exhibit A-3.5.a for CHS's subsidiaries. Other than the companies listed in Confidential Exhibit A-3.5.a, the affiliated companies of CSC are provided in Confidential Exhibit A-3.5.b.

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

No. CHS does not afford any management fees occurring from its affiliated companies.

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

CHS was established in 1983 as a manufacturer of steel products. In 1987, the cold rolling plant and pipe plant were constructed and started production. The hot rolling plant was constructed in 1995 and started production in 1997. CHS's main products include Hot Rolled Coil, Cold Rolled Coil, Pickled and Oiled Coil, Skin Pass Coil, Galvanized Coil, Black Pipe, Rectangular Pipe, Galvanized Pipe, API Pipe, PE Coated Pipe, etc.

- 8. If your business does not perform all of the following functions in relation to GUC, then please provide names and addresses of the companies which perform each function:
  - o produce or manufacture
  - o sell in the domestic market
  - o export to Australia, and
  - o export to countries other than Australia.

CHS produces and sells the goods to Australia and other countries. CHS did not sell GUC in domestic market during the IP.

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

CHS is organized into 3 divisions and 12 departments, which are structured based on functions. Please refer to Confidential Exhibit A-3.9 for the Internal Organization Chart.

Marketing Department is the unit involving in sales of the GUC.

Hot Rolling Departments are the production units involving producing the upstream inputs of GUC

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

Please refer to Confidential Exhibit A-3.10 for the list of CHS's management team.

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

Please refer to Confidential Exhibit A-4.3.b(1) for CHS's Audited Financial Statements for 2012. CHS is a manufacturer of hot rolled products, cold rolled products, galvanised steel products as well as pipes and tubes.

Please refer to Exhibit A-3.11 for CHS's product catalogue of hot rolled, cold rolled and galvanised products. Note that because hot rolled steel plate is not the main product of CHS, CHS does not include it in the product catalogue.

12. Provide details of <u>all</u> transactions between your company and all related parties. For example:

o Suppling/selling completed or partially completed products.

Not applicable. CHS did not sell any completed or partially completed GUC to related parties.

o Suppling/selling raw materials.

Please refer to

Confidential Exhibit G-9 for CHS's raw material purchase details.

o Performing management functions (including any financial functions).

Not applicable.

o Processing (including toll processing) of any raw materials, intermediary or completed products.

Not applicable. For producing the GUC,

o Trading in products/materials supplied by related parties.

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

1. Indicate your accounting period.

Our normal corporate financial accounting period is calendar year (from January 1st to December 31st).

2. Indicate the address where the financial records are held.

The accounting records are kept at No. 317, Yu Liao Road, Chiao Tou District Kaohsiung City 825, Taiwan, R.O.C.

- 3. Provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:
  - o chart of accounts;

Please refer to Confidential Exhibit A- 4.3.a for the chart of accounts of CHS.

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

Please refer to:

• Confidential Exhibit A-4.3.b(1) for CHS's audited unconsolidated financial statements for 2012 and 2011, with an English translation of the balance sheet, statement of income, and statement of changes in stockholders' equity and statement of cash flow;

• Confidential Exhibit A-4.3.b(2) for CHS's audited consolidated financial statements for 2012 and 2011, with an English translation of the balance sheet, statement of income, and statement of changes in stockholders' equity and statement of cash flow;

Please note CHS's English audited financial statements are prepared by CPA and it's not ready yet; therefore, CHS provides audited financial statement in Chinese and provides English translation for 4 major statements.

o 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.

CHS's internal income statements for 2011, 2012, and the first two months of 2013 are provided in Confidential Exhibit A-4.3.c.

These documents should relate to:

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

# All the documents relate to the company as a whole.

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 relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

CHS has audited financial statements, so this question is not applicable.

- 5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.
  - No. CHS's accounting practices are consistent with the General Accepted Accounting Principles (GAAP) of Taiwan.
- 6. Describe the significant accounting policies that govern your system of accounting, in particular:
  - o 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);
    - CHS uses the weighted average method to value the inventory of raw materials, work-in-process, and finished goods in its cost accounting and financial accounting processes.
  - o 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);

In CHS's ordinary cost accounting system, costs are tracked and cumulated at cost centers on an aggregate, actual basis and by the processing cost

method. In other words, one average cost for the product produced at a given cost center. When one product is introduced as input to the production of another product, the input cost is the average production cost of the upstream product.

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

CHS uses the weighted average method to value damaged or sub-standard goods.

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

There is no by-product or joint product generated in the production of the subject goods.

Scraps valued at

o valuation and revaluation methods for fixed assets;

Land is stated at cost or cost plus revaluation increment and other properties are stated at cost less accumulated depreciation. Expenses incurred for major repairs and maintenance will be capitalized and depreciated over the service lives of equipment / assets, while maintenance and repairs are expensed currently.

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

Depreciation is calculated by the straight-line method over the service lives of equipment / assets ranged as follow: buildings and improvement, 10 to 60 years; machinery and equipment, 3 to 18 years; and miscellaneous equipment, 3 to 18 years.

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

Non-derivative foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur (take export sales for example, the date would be on-board date (when products are loaded onto shipping vessels)). Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

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

At the balance sheet date, foreign-currency monetary assets and liabilities are re-valued using prevailing exchange rates and the exchange differences are recognized in profit or loss. The exchange rate is based on exchange rate of the Bank of Taiwan.

o inclusion of general expenses and/or interest;

CHS does not capitalize general and administrative expenses.

Interest expenses incurred during the construction and acquisition period are capitalized as cost of the property.

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

An allowance for doubtful accounts is provided on the basis of a review of the collectability of accounts receivable. CHS assesses the probability of collections of accounts receivable by examining the aging analysis of the outstanding receivables and economic conditions provided by customers.

- expenses for idle equipment and/or plant shut-downs;
- o costs of plant closure;
- o restructuring costs;
- o by-products and scrap materials resulting from your company's production process; and

There is no by-product generated in the production of the subject goods.

Scraps valued at

o effects of inflation on financial statement information.

Not applicable.

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.

#### Financial Instruments

Starting January 1, 2011, CHS adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." The main revisions include: (1) finance lease receivables impairment are now covered by SFAS No. 34; (2) the scope of the applicability of SFAS No. 34 to insurance contracts is amended; (3) loans and receivables originated by the enterprise are now covered by SFAS No. 34; (4) additional guidelines on impairment of financial assets carried at amortized cost when the

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debtor has financial difficulties and the terms of obligations have been modified; and (5) accounting treatment by a debtor for modifications in the terms of obligations. This accounting change did not have a significant impact on the financial statements as of and for the year ended December 31, 2011.

#### **Operating Segments**

Starting January 1, 2011, CHS adopted the newly issued SFAS No. 41,"Operating Segments." The requirements of the statement are based on the information about the components of the Corporation that management uses to make decisions about operating matters. SFAS No. 41 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Corporation's chief operating decision maker in order to allocate resources to the segments and assess their performance. This statement supersedes SFAS No. 20, "Segment Reporting." The information for the year ended December31, 2010 has been recast to conform to SFAS No. 41 Disclosure of segment information is made in the consolidated financial statements.

# A-5 INCOME STATEMENT

Complete the spreadsheet entitled 'Income statement' within the Exporter questionnaire – Hot Rolled Plate Steel – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) 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 GUC 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.

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

Please see Confidential Exhibit A-5 for CHS's income statement spreadsheet.

The cost of goods sold for the GUC are reported based on

For the selling expenses, the direct selling expenses for the GUC are reported on

For the general & administrative expenses and financial expenses,

Please see Confidential Exhibit G-4.2 for cost reconciliation from reported cost of manufacture in Section G to CHS's audited financial statement.

#### A-6 SALES

Complete the spreadsheet entitled 'Turnover' within the Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire.

Hot Rolled Plate Steel – investigation no.198 - exporter questionnaire – Taiwan, Japan, 10 Republic of Indonesia and the Republic of Korea

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

In completing the sheet, use the currency in which your accounts are kept. This information will be used to verify the cost allocations to the GUC in Section G.

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

Please see Confidential Exhibit A-6 for Turnover spreadsheet, the turnover of the sector reported in Confidential Exhibit A-6 includes all hot rolled products.

#### A-7 PRODUCTION PROCESS AND CAPACITY

1. In addition to manufacturing hot rolled plate steel, does your company manufacture any of the raw materials used in the production of the plate steel? (e.g. HRC or steel slab) Please list all raw materials manufactured by your company.

The hot-rolled coils are mainly produced by CHS itself in CHS's hot-rolling factory.

CHS does not manufacture steel slabs.

2. Describe the production process for the GUC. If there is more than one production process, describe each production process. Provide a flowchart of the process/es. Include details of all products manufactured using the same production facilities as those used for the goods.

The flowchart of production process for the GUC is provided in Confidential Exhibit A-7.2.

Also specify all scrap or by-products that result from producing the goods.

During the production process of the goods,

3. Complete the spreadsheet entitled 'Production' within the Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire.'

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

Please see Confidential Exhibit A-7.3 for CHS's Production spreadsheet.

# SECTION B-SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory.

Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at another level (e.g. ex factory).

You should report prices of all GUC shipped to Australia during the investigation period.

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

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

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

In addition, if you have reported that the date of sale is not the invoice date, you should provide information on the lead times for domestic and export sales (from order confirmation to fulfilment), lead-time differences in raw material purchasing and delivery and/or in the production rolling schedules, so far as those differ between export and domestic sales.

- B-1 For each customer in Australia to whom you shipped goods in the investigation period list:
  - o name;
  - o address:
  - o contact name and phone/fax number where known; and
  - o trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

Please refer to Confidential Exhibit B-1 for list of customers in Australian market.

- B-2 For each customer identified in B1 please provide the following information.
  - (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

Please see Confidential Exhibit B-2.a for flow chart indicating terms of sale to customers. CHS's Australian customers during the IP were traders.

(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.

Please see Confidential Exhibit B-2.a for the requested information.



(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.

During the IP, all sales to Australia are term, and CHS as seller/shipper would pass ownership and transfer risk to the buyer at the point at which

CHS did not have DDP sales during the IP.

(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).

(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.

For Australia sales, the customers would send their inquiries for price quotation, either by fax or by email. After completing the price negotiation with the customer, a sales contract will be sent to the customer to confirm the quantities, prices and the delivery schedule for the ordered products. The goods will be shipped to the customers along with the commercial invoice and other shipping documents. Please see Confidential Exhibit B-2.e.(1) for the chronological flowchart of sales process.



(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).

CHS is not related to any of its Australian customers.

(g) Details of the forward orders of the GUC (include quantities, values and scheduled shipping dates).

Please see Confidential Exhibit B-2.g for the details of the forward orders of the goods.

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.

CHS's export selling prices according to the distribution channel.

B-4 Complete the spreadsheet entitled 'Australian sales' within the Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire.

This spreadsheet is to list all shipments (*i.e. transaction by transaction*) to Australia of the GUC (do not include non-GUC items) in the investigation period.

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

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

Column heading	<b>Explanation</b>
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/type	commercial model or type
Plate surface	Surface of the plate - patterns in relief Yes/No
Product code	code used in your records for the model/grade/type identified.
	Explain all product codes in your submission.
Thickness (mm)	Thickness measured in millimetres of the steel plate
Width (mm)	Width measured in millimetres of the steel plate
Length (mm)	Length of the steel plate
Trimmed edge or	Identify if the edges of the steel plate are trimmed or
untrimmed edge	untrimmed
Grade	Identify the grade of the steel plate, e.g. 250/350/450 MPa
Low temperate	Low temperature (Charpy) tested, and if so, tested to what
tested	temperature.
High temperature	Indicate if the steel plate has undergone high temperature
(tensile) tested	(tensile) testing.
Through thickness	Indicate if the steel plate has undergone through thickness
(tensile) tested	(tensile) testing.
Ultrasonic tested	Indicate if the steel plate has undergone ultrasonic testing and
	if yes to what quality level.
Prime or non-	Identify if the steel plate is prime product or non-prime
prime	
Standard	Identify the standard that the steel plate has been produced to
	(e.g. Australian Standard, Japanese Standard, British
	Standard)
Order number	Order number
Date of order	Date order is confirmed
confirmation	
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 other than the invoice date best establishes
	the material terms of sale, report that date. For example, order
	confirmation, contract, or purchase order date.
Shipping terms	Delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with
	Incoterms)
Payment terms	agreed payment terms e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis e.g. kg.

Gross invoice	gross invoice value shown on invoice in the currency of sale,
value	excluding taxes.
Discounts	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.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	any other charges, or price reductions, that affects the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice.  Show a separate column for each type of discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

# Notes

<sup>\*\*</sup> FOB export price and Ocean Freight:

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

Ocean freight: as ocean freight is a significant cost it is important that the <u>actual</u> 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.

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

#### Please see Confidential Exhibit B-4 for "Australian Sales" spreadsheet.

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 within the 'Australian sales' spreadsheet (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

#### If these exist, they have been reported as instructed.

- B-6 For each type of discount, rebate, or allowance offered on export sales to Australia:
  - o provide a description; and
  - o 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 question B4. If they vary by customer or level provide an explanation.

- B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.
- B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. 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 and Border Protection brokers, port and other costs incurred (itemise)

Not applicable.

- B-9 Select <u>two</u> shipments, in different quarters of the investigation period, and provide a <u>complete</u> set of all of the documentation related to the export sale. For example:
  - o the importer's purchase order, order confirmation, and contract of sale;
  - o commercial invoice;
  - o bill of lading, export permit;
  - o freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
  - o marine insurance expenses; and
  - o letter of credit, and bank documentation, proving payment.

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

Please see Confidential Exhibits B-9.a and B-9.b for documentation relating to the following two selected shipments to Australia.

- Invoice number ; and
- Invoice number

# SECTION C - EXPORTED GOODS & LIKE GOODS

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

During the IP, the specifications of the GUC CHS exported to Australia are listed in the following table:

Internal Code	Specification

Please see Confidential Exhibit C-1 for example mill certificates.

C-2 List each model/type of the good exported to Australia (these models should cover all models listed in spreadsheet "Australian Sales" – See section B of this questionnaire).

The goods exported to Australia are clearly identified by the model numbers shown in the Australian sales spread sheet set out in Confidential Exhibit B-4.



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) are not identical to the goods exported to Australia.

This should be done by completing the spreadsheet entitled 'Like goods' within the Hot Rolled Plate Steel Exporter Questionnaire — Taiwan, Japan, Indonesia & Korea' — accompanying spreadsheet provided alongside this questionnaire, detailing as follows:

EXPORTED MODEL	DOMESTIC MODEL,	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

Please see Confidential Exhibit C-3 for "Like goods".

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.

CHS did not make any sales of the GUC in the domestic market during the IP; therefore, this question is not applicable.

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# SECTION D - DOMESTIC SALES

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

<u>All</u> domestic sales of like goods to the GUC made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data <u>and</u> 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 Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.

Customs and Border Protection 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 question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.

If you do not have any domestic sales of like goods you must contact the Case Manager who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.

In addition, if you have reported that the date of sale is not the invoice date, you should provide information on the lead times for domestic and export sales (from order confirmation to fulfilment), lead-time differences in raw material purchasing and delivery and/or in the production rolling schedules, so far as those differ between export and domestic sales.

CHS did not make any sales of the GUC in the domestic market during the IP; therefore all questions of this Section are not applicable.

#### **D-1** Provide:

- o a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- o information concerning the functions/activities performed by each party in the distribution chain; and
- o a copy of any agency or distributor agreements, or contracts entered into.

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.

CHS did not sell any GUC in the domestic market during the IP, so this question is not applicable.

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.

CHS did not sell any GUC in the domestic market during the IP, so this question is not applicable.

- **D-3** Explain in detail the sales process, including:
  - o the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
  - o whether price includes the cost of delivery to customer.

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

CHS did not sell any GUC in the domestic market during the IP, so this question is not applicable.

D-4 Complete the spreadsheet entitled 'Domestic sales' within the Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire.

This spreadsheet is to list all domestic sales of like goods (i.e. transaction by transaction) in the investigation period (do not include non-GUC items).

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

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

Column	Explanation .
Heading	
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/type	commercial model or type
Plate surface	Surface of the plate - patterns in relief Yes/No
Product code	code used in your records for the model/grade/type
	identified. Explain the product codes in your
	submission.
Thickness (mm)	Thickness measured in millimetres of the steel plate
Width (mm)	Width measured in millimetres of the steel plate
Length (mm)	Length of the steel plate
Trimmed edge or	Identify if the edges of the steel plate are trimmed or
untrimmed edge	untrimmed
Grade	Identify the grade of the steel plate, e.g. 250/350/450 MPa
Low temperate tested	Low temperature (Charpy) tested, and if so, tested to
	what temperature.
High temperature	Indicate if the steel plate has undergone high
(tensile) tested	temperature (tensile) testing.
Through thickness	Indicate if the steel plate has undergone through
(tensile) tested	thickness (tensile) testing.
Ultrasonic tested	Indicate if the steel plate has undergone ultrasonic
	testing and if yes to what quality level.

Prime or non-prime	Identify if the steel plate is prime product or non-prime
Standard	Identify the standard that the steel plate has been
Sunan	produced to (e.g. Australian Standard, Japanese
	Standard, British Standard)
Order number	show order confirmation number
Date of order	Date order is confirmed
confirmation	
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 other than 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.
Delivery terms	e.g. ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer e.g. 60
,	days=60 etc
Quantity	quantity in units shown on the invoice e.g. kg.
Gross Invoice value	gross value shown on invoice in the currency of sale,
	net of taxes.
Discounts	the amount of any discount deducted on the invoice on
	each transaction. If a % discount applies show that %
	discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid
	to the importer in the currency of sale.
Other charges	Any other charges, or price reductions, that affect the
	net invoice value. Insert additional columns and provide
27	a description.
Net invoice value	the net invoice value expressed in your domestic
04 - 11-	currency as recorded in your accounting system
Other discounts	The actual amount of discounts not deducted from the
	invoice. Show a separate column for each type of
Doolsin c*	discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the
Handling, loading	selling price. handling, loading & ancillary expenses.
And ancillary	nanding, loading & anomaly expenses.
Expenses*	
Warranty &	warranty & guarantee expenses
Guarantee expenses*	mananty or gantantoe expenses
Technical assistance	expenses for after sale services such as technical
& other services*	assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert
	additional columns of data.
Other factors*	any other costs, charges or expenses incurred in
	relation to the domestic sales (include additional
	columns as required). See question D5.

# Notes

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

CHS did not sell any GUC in the domestic market during the IP, so this question is not applicable.

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

Not applicable.

- **D-6** For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:
  - o provide a description; and
  - o 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 question D4.

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.

CHS did not sell any GUC in the domestic market during the IP, so this question is not applicable.

**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:

- o purchase order
- o order acceptance
- o commercial invoice
- o discounts or rebates applicable
- o credit/debit notes
- o long or short term contract of sale
- o inland freight contract
- o bank documentation showing proof of payment

Customs and Border Protection will select additional sales for verification at the time of our visit.

Not applicable.

#### 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. Customs and Border Protection 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 Customs and Border Protection 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.

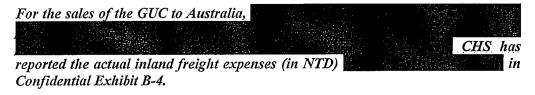
The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification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

# E-1 COSTS ASSOCIATED WITH EXPORT SALES

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

#### 1. Transportation

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



The general ledger account for this expense is "

## 2. Handling, loading and ancillary expenses

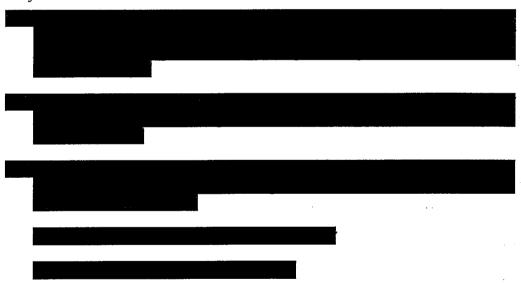
List all charges that are included in the export price and explain how they have been quantified ("Handling, loading & ancillary expenses"). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item,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

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

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

Please see Confidential Exhibit E-1.2 for the list of the handling, loading & ancillary expenses and the relevant general ledger accounts.

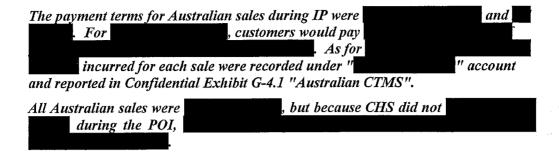
CHS has reported all expenses listed in Confidential Exhibit E-1.2 separately in Confidential Exhibit B-4.



#### 3. Credit

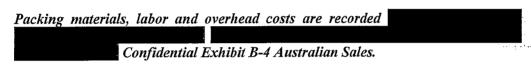
The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. 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.



# 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'.

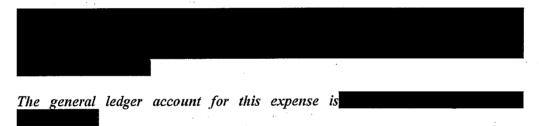


#### 5. Commissions

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

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

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



# 6. Warranties, guarantees, and after sales services

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

Not applicable.

#### 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.

#### 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 investigation period (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.

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

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

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

Because CHS did not make any sales of the GUC in the domestic market during the IP, the questions under E-2 are not applicable.

#### 1. Physical characteristics

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

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

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

Not applicable.

# 2. Import charges and indirect taxes

If exports to Australia:

- o 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
- o if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

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

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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;
- o the amount of the duties and taxes refunded upon exportation and an explanation how the amounts were calculated and apportioned to the exported goods;
- o an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

#### Substitution drawback systems

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

If such a scheme operates in the country of export please provide <u>full</u> details about the operation of the scheme as well as providing the information requested above.

Not applicable.

#### 3. Level of trade

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

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

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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);
- o the cost of carrying out these activities in respect of like goods;
- o for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- o 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.

# Not applicable.

#### 4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, Customs and Border Protection 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:

- o the rate, or average of rates, applying on actual short term borrowing's by the company; or
- o 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
- o such other rate considered appropriate in the circumstances.

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

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

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

#### 1. Calculate an accounts receivable turnover ratio

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

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

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

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

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

# 2. Calculate the average credit period

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

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

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

Not applicable.

#### 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.

Not applicable.

#### 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.

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.

Not applicable.

# 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".

Not applicable.

#### 8. Commissions

For any commissions paid in relation to the domestic sales:

- o provide a description
- o 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.

Not applicable.

# 9. Warranties, guarantees, and after sales services

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

Not applicable.

#### 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:

- o 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;
- o warehousing expense: an expense incurred at the distribution point;
- o royalty and patent fees: describe each payment as a result of production or sale, including the key terms of the agreement;
- o advertising; and
- o bad debt.

Not applicable.

#### E-3 DUPLICATION

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

- o adjustments for level of trade, quantity or other discounts may overlap, or
- o 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.

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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.

Not applicable.

# SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA

Your response to this part of the questionnaire may be used by Customs and Border Protection 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. Customs and Border Protection 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 Complete the spreadsheet entitled 'Third country sales' within the Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire.

This spreadsheet is to 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-GUC items).

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

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

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
Customers	over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Model/grade/type	Commercial model/grade or type
Thickness (mm)	Thickness measured in millimetres of the steel plate
Width (mm)	Width measured in millimetres of the steel plate
Length (mm)	Length of the steel plate
Trimmed edge or untrimmed edge	Identify if the edges of the steel plate are trimmed or untrimmed
Grade	Identify the grade of the steel plate, e.g. 250/350/450 MPA
Prime or non-prime	Identify if the steel plate is prime product or non-prime
Standard	Identify the standard that the steel plate has been produced to (e.g. Australian Standard, Japanese Standard, British Standard)
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity e.g. kg
Value of sales	Show net sales value to all customers in 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

	country e.g. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third
	country e.g. CIF, FOB, ex-factory, DDP etc.

Please see Confidential Exhibit F-1.

During the IP, CHS did not sell any GUC in the domestic market,

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

There may be a number of differences between CHS's sales to Australia and to other third countries which would affect any comparison of them.

For the adjustments reported in Confidential Exhibit F-1.1, CHS has reported them based upon actual costs incurred.

# 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:

- o testing the profitability of sales of like goods on the domestic market;
- o determining a constructed normal value of the GUC i.e. of the goods exported to Australia; and
- o making certain adjustments to the normal value.

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

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

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

- o 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
- o provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)

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

CHS's cost accounting system adopts the processing cost system.

Our cost accounting system is an integral part of our financial accounting system used for the audited financial statements.

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.

Not applicable. CHS does not adopt standard costs.

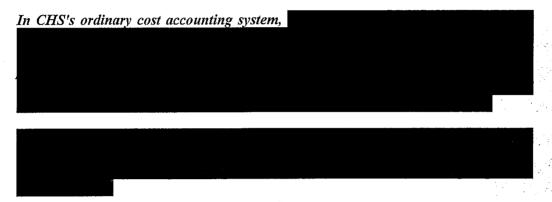
3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

There are no such cost variances occurring during the POL

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

Please refer to Confidential Exhibit G-2.4 for the list of direct and indirect cost centres related to the GUC.

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the GUC. 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.



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



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

Not applicable. All production costs are valued in the same methods for cost accounting purposes and for financial accounting purposes.

- 8. State whether your company engaged in any start-up operations in relation to the GUC. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
- 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 it its accounting records.



#### 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>

1. Complete the spreadsheet entitled 'Domestic CTMS' within the Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) 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 <u>each</u> model/type (identified in Section C) of the like goods sold on the domestic market.

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 of this questionnaire.

Please specify unit of currency.

Not applicable. CHS did not sell any GUC in the domestic market during the IP.

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

Complete the spreadsheet entitled 'Australian CTMS' within the Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM (or via email) 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 <u>each</u> model/type (identified in Section C) of the like goods sold on the domestic market.

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 of this questionnaire.

Customs and Border Protection applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO Anti-Dumping Agreement – see Article 2.2.1.

Non-Confidential

Please specify unit of currency.

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

Please see CHS's "Australian CTMS" is provided at Confidential Exhibit G-4.1. CHS provides

Please see Confidential Exhibit G-4.2 for cost reconciliation, from Confidential Exhibit G-4.1 to internal cost report and further to reconcile the audited financial statements.

#### CHS hereby also provides

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.

CHS did not make any domestic sales during the IP.

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 significant differences between the cost shown and the cost on CHS's 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.

In the ordinary cost accounting system,

In Confidential Exhibit G-4.1, CHS

has reported the cost of different models

For the unit cost of SGA and other expenses, except direct selling expenses, CHS's expense ratio is allocated based on turnover, and the calculation worksheet is provided in Confidential Exhibit G-7.

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

For these major inputs:

- o identify materials sourced in-house and from associated entities;
- o identify the supplier; and
- o 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).

Chung Hung Non-Confidential

Where the major input is produced by an associate of your company Customs and Border Protection 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 Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

For CHS, the only primary raw material is steel slab. Please see Confidential Exhibit G-9 for CHS's raw material purchase details, including slabs, hot-rolled bands and hot-rolled coils.

CHS recorded the actual purchase value as the raw material cost, including all concerned expenses.

G-9 Complete the attached spreadsheet entitled 'Raw Material Purchases' within the Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea' – accompanying spreadsheet provided alongside this questionnaire (i.e. transaction by transaction) for all purchases of hot rolled coil, steel slab, coking coal and coke. Provide the completed spreadsheet in electronic format with your response.

(NB if your company is purchasing more than one material type (HRC, steel slab, coking coal and coke), please provide your responses in separate spreadsheets).

Please see CHS's "Raw Material Purchases" at Confidential Exhibit G-9. CHS provided purchase details for slab, hot-rolled bands and hot-rolled coils.

Date:

### SECTION H-EXPORTER/PRODUCER'S DECLARATION

V	I hereby declare that <u>Chung Hung Steel Corporation</u> (company) did, during the investigation period export the GUC and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.
	I hereby declare that(company) did, during the investigation period, produce the GUC which were exported to Australia by another company 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 :	: <u>Ivan E.H. Lee</u>
Positio	n in Company: Vice President of Commercial Division
Signatu	ire: Ivan Z. H. See

lse April. 2013.

### 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	$\overline{\mathcal{A}}$
Section B – export price	$\overline{\mathbf{Q}}$
Section C – like goods	$\overline{\mathbf{V}}$
Section D – domestic price	$\overline{\mathbf{Q}}$
Section E – fair comparison	$\overline{\mathbf{Q}}$
Section F – exports to third countries	$\overline{\mathbf{Q}}$
Section G – costing information	$\overline{\mathbf{Q}}$
Section H - declaration	$\overline{\mathbf{A}}$

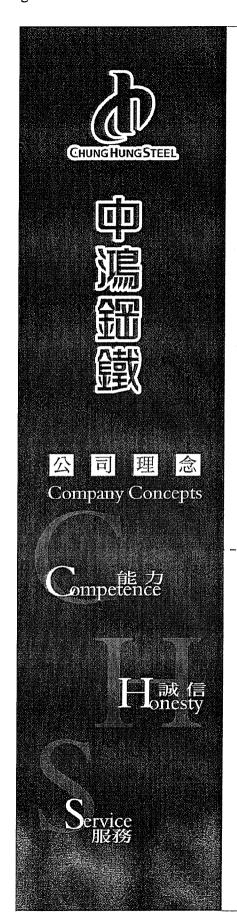
Electronic Data	Please tick if you have provided spreadsheet
HRC & STEEL SLAB PURCHASES – purchase cost of Hot Rolled Coil and Steel Slab during the investigation period	
RAW MATERIAL PURCHASES – purchase cost of raw materials during the investigation period	Same as above.
INCOME STATEMENT	
TURNOVER – sales summary	
AUSTRALIAN SALES – list of sales to Australia	
DOMESTIC SALES – list of all domestic sales of like goods	
THIRD COUNTRY – third country sales	
PRODUCTION – production figures	
DOMESTIC COST TO MAKE & SELL – costs of goods sold domestically	V
AUSTRALIAN COST TO MAKE & SELL – costs of goods sold to Australia	

## **List of Exhibits**

Exhibit No.	Description				
CHS-Exhibit A-3.5.a	CHS Associated Companies				
CHS-Exhibit A-3.5.b	CSC and its Subsidiaries and Affiliated Companies				
CHS-Exhibit A-3.9	Internal Organization Structure				
CHS-Exhibit A-3.10	List of Management Team of CHS				
CHS-Exhibit A-3.11	Product Catalogue				
CHS-Exhibit A-3.12	Service Fee Detail Charged by CSGT				
CHS-Exhibit A-4.3.a	Chart of Account				
CHS-Exhibit A-4.3.b(1)	CHS' Audited Financial Statement of 2012 and 2011				
CHS-Exhibit A-4.3.b(2)	CHS's Consolidated Audited Financial Statement of 2012 and 2011				
CHS-Exhibit A-4.3.c	CHS Internal Income Statement for 2011, 2012, and January and February, 2013				
CHS-Exhibit A-5	Income Statement				
CHS-Exhibit A-6	Turnover				
CHS-Exhibit A-7.2	Flowchart of Production Process				
CHS-Exhibit A-7.3	Production				
CHS-Exhibit B-1	List of Customers in Australia Market				
CHS-Exhibit B-2.a	Flowchart of Sale Terms and Pricing (AU Market)				
CHS-Exhibit B-2.e.(1)	Flowchart of Sales Process (AU Market)				
CHS-Exhibit B-2.e.(2)	Internal Price Guideline of the Goods for Australian Market				
CHS-Exhibit B-2.g	List of Forward Orders				
CHS-Exhibit B-4	Australian Sales				
CHS-Exhibit B-9.a	Selected Australian Sales Documentation -1				
CHS-Exhibit B-9.b	Selected Australian Sales Documentation -2				
CHS-Exhibit C-1	Sample Mill Certificates (AU Sales)				
CHS-Exhibit C-2	List of Goods Exported to Australian				
CHS-Exhibit C-3	Like Goods				
CHS-Exhibit E-1.2	List of Handling and Ancillary Expenses and Accounts				
CHS-Exhibit F-1	Third Country				

Exhibit No.	Description	
CHS-Exhibit F-1.1	Third Country Sales	
CHS-Exhibit G-2.4	List of Direct Cost Centres	
CHS-Exhibit G-4.1	Australian CTMS	
CHS-Exhibit G-4.2	Cost Reconciliation	
CHS-Exhibit G-4.3	Third Country CTMS	
CHS-Exhibit G-7	Worksheet for SGA and Other Expenses	
CHS-Exhibit G-9	Raw Material Purchases	







O 1 公司簡介 Company Introducion

O 2 上敞置7 Mills Introduction

○3熱軋産品可接單規格表<br/>Available Specification for Hot Rolled Product

O 5 熱軋產品品質保證範圍 For Hot Rolled Quality Guarantee

〇 6 熱軋鋼捲標記與包裝 For Hot Rolled Marking & Packing

O6 附註 Remarks

〇 8 冷軋產品可接單規格表 Available Specification for Cold Rolled Product

10 管制範圍 Tolerance

12 冷軋鋼捲標記與包裝 Cold Rolled marking & packing

14 附託 Remarks

16 冷軋鋼捲訂貨需註明事項 Cold Rolled Steel Sheet In Colls Rrmarks In Order

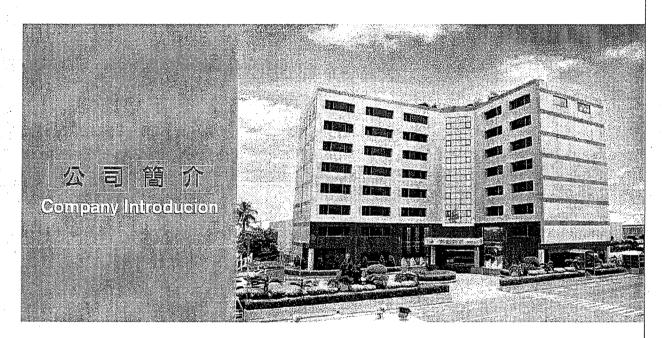
17 **鍍鋅鋼捲** Galvanized Coil

#### 願景:

中鴻堅持正派經營,努力打造成為一家贏得尊敬、值得信賴、樂於交往的鋼鐵公司。

#### VISION:

We persist in operating uprightly and devote ourselves to winning customers' and society's respect, trust, and friendship.



本公司設立於1983年,資本額由設立之初50萬元已增至目前128.5億元,營業額達新台幣455億元以上。本公司於1999年加入中鋼集團後,本著集團之經營理念,努力厚植體質,提昇市場競爭力。主要產品有熱軋(粗)鋼捲、花紋鋼捲、冷軋全硬鋼捲、酸洗鋼捲、冷軋調質鋼捲、黑圓管、矩形管、API輸油管、PE包覆鋼管及鍍鋅鋼管等,產品行銷全球,深獲市場肯定。本公司經不斷努力下已分別取得 ISO 9001、14001及OHSAS 18001之國際驗證,係本公司除生產優質產品外,同時兼顧環保及工業安全之具體表現。

Chung Hung Steel established in 1983. The initial capital was NTD500,000 and was increased to 128.5 billion in 2000. The annual revenue is over NTD45.5 billion.

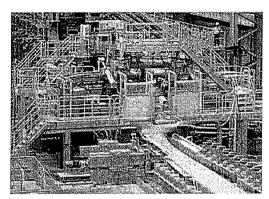
In the year of 1999, We became one member of the CSC Group. Chung Hung Steel is one of the important supplier of high quality and high precision products to domestic and international steel markets. The main products include hot rolled coils, cold rolled coils, pickled and oiled coils, annealed coils, checker plate coils, black pipes, rectangular pipes, galvanized pipes, API pipes, PE coated pipes...etc.

The products have been highly and positively accepted by the customers and have been accredited several international certificates including ISO 9001, ISO 14001 and OHSAS 18001. Which declares the company policies on the high quality supply, the industrial safety and environmental protection.



む 中鴻鈿鐵

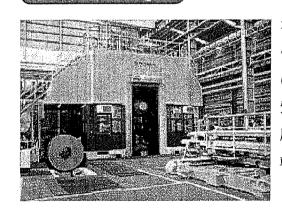
#### 本面 Nation Rolling Mil



本公司熱軋廠建廠歷時二年,於86年4月產出第一粒鋼捲,創下同類鋼廠建廠時間最短的記錄。主要產線設備均係日本CHUGAI RO、IHI等所製最先進的設備,並配有精密自動化控制系統,可精確生產客戶所需尺寸,並保持鋼捲之均溫。熱軋延線全長320M,主要設備包含加熱爐兩座、往復式粗軋機、鋼捲盤捲箱及6座4-High精軋機組。設計年產能240萬噸,軋延尺寸最薄可達1.2mm。

Chung Hung's Hot Rolling Mill was completed in less than two years with the first coil being produced in April,1997. We set a new record for the shortest construction time of similar plants in the steel industry. The mill is equipped with the most advanced facilities supplied by Ishikawajima-Harima Heavy Industries and Chugai Ro of Japan. This line is 320meters long and is operated with automatic control system. The main equipment consists of two reheating furnaces, one reversing roughing mill, one coil box and one 4-Hi 6 stand finishing mill. Annual production capacity is 2.4 million metric tons. Coil can be rolled to a minimum of 1.2 mm thickness and meet customers' specific requirements.

#### 沙喇·勝×Gold-Rolling Mil



本公司冷軋廠於76年建廠完成,主要產線設備有全長68M的酸洗線、日立六段式軋延機(6Hi UC-Mill)、氫氣退火爐、STAMCO調質精整設備等。設計年產能45萬噸,可生產厚度0.15~2.0mm,寬度900~1,225mm之冷軋全硬及調質精整鋼捲。

The cold rolling mill began its production in 1987. The mill is equipped with a 68 meter long Pickling Line, a Hitachi 6-Hi UC Mill, an HPH Bell Annealing Furnace and a Skin Pass Mill. The annual production capacity is 450,000 metric tons. The cold rolled and skin passed coils range from 0.15 to 2.0 mm in thickness and from 900 mm to 1225 mm in width.

# 熱軋

Available Specification for Hot Rolled Product 產品可接單規略表

用途 Application 產品特性 Properties	冷軋用途 Re-rolling - Quality	一般成型 Forming	一般鋼管 Tube	石油用管 Line pipe	結構用鋼 Structure Quality	貨櫃用鋼 Container
300 N/mm <sup>2</sup> 一般品級 Commercial Quality	SAE 1006 SAE 1008	ASTM A569 JIS G3131 SPHC JIS G3131 SPHD	SPHT1		-	*****
300 N/mm <sup>2</sup> 沖軋品級 Drawing Quality	CH 1002		<u>-</u>	-	_	-
300 N/mm <sup>2</sup> 極低碳鋼 Extra Low Carbon Steel	CH M1005				, ment	
350 N/mm²	SAE 1010 SAE 1012		SPHT2		ASTM A570 Gr.33	
400 N/mm <sup>2</sup>	SAE 1017		SPHT3	API 5L Gr. B API 5L X42	JASTM A36 ASTM A570 Gr.36 ASTM A570 Gr.40 JIS G3101 SS400	
450/500 N/mm <sup>2</sup>	SAE 1020 SAE 1022				ASTM A570 Gr.45 ASTM A570 Gr.50 ASTM A570 Gr.55 BS 4360 Gr. 43A BS 4360 Gr. 50B JJS G3101 SS490	
450/500 N/mm <sup>2</sup> 高強度低合金鋼 High Strength Low Alloy	_	-			ASTM A607 Gr. 50 ASTM A607 Gr. 55	
500 N/mm <sup>2</sup> 耐候鋼 Corten	_	i i i i i i i i i i i i i i i i i i i	_	-	-	JIS G3125 SPA-I
600 N/mm <sup>2</sup> 高強度低合金鋼 High Strength Low Alloy	jakan	<del>-</del>	. <b>****</b>	API 5L X60		. <del>-</del>
600 N/mm <sup>2</sup> 中碳鋼 Medium Carbon	SAE 1035 SAE 1050	<b>—</b>	_		_	<u></u>
300 N/mm <sup>2</sup> 花紋鋼捲 Checked Plate		CH FPC	_		- Marine	Notes
400 N/mm <sup>2</sup> 花紋鋼捲 Checked Plate		CH FPSS	_	-	_	_

#### 備註 Remark:

- 1. A1011 CS為2000年取代原A569。
- 2. A1011 SS為2000年取代原A570。
- 3. A1011 HSLAS 為2000年取代原A607。

禁軋 Available Specification for Hot Rolled Product 產品可接單規略表

訂單厚度	訂單寬度	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)		Para Leaning maléniai aya	單位 Unit: mm
も単序度 Order Thickne	Order Width	900-986	987-1181	1182~1381	1381-1547
產品特性及鋼種 Stee 300 N/mm <sup>2</sup> 一般品級 Commercial Quality	El Grade	1.20-12.70	1.20~12.70	1.20~12.70	1.80-12.70
300 N/mm <sup>2</sup> 沖軋品級 Drawing Quality	CH 1002	1:60-12-70	1.60-12.70	1.60~12.70	
300 N/mm <sup>2</sup> 極低碳鋼 Extra Low Carbon Steel	СН M1005	1.71-12.70	1.71-12.70	1.71-12.70	
350 N/mm²	ASTM A570 Gr.33 JIS G3132 SPHT2 SAE 1010 SAE 1012	1.35-12.70	1.35-12.70	1.45-12.70	
400 N/mm <sup>2</sup>	API 5L Gr. B API 5L X42 ASTM A36 ASTM A570 Gr.36 ASTM A570 Gr.40 JIS G3132 SPHT3 JIS G3101 SS400 SAE 1017	1.50~12.70	1.50~12.70	1.50~12.70	2.00~12.70
450/500 N/mm <sup>2</sup>	ASTM A570 Gr.45 ASTM A570 Gr.50 ASTM A570 Gr.55 BS 4360 Gr. 43A BS 4360 Gr. 50B JIS G3101 SS490 SAE 1020 SAE 1022	1.40-12.70	1.40-12.70	1.40-12.70	
高強度低合金鋼 High Strength	API 5CT J55 API 5L X52 ASTM A607 Gr.45 ASTM A607 Gr.50 ASTM A607 Gr.55	1.60~12.70	1.60-12.70	1.60~12.70	5.50~6.39
500 N/mm <sup>2</sup> 耐候鋼 Corten	JIS G3125 SPA-H	1.50-12.70	1.50-12.70	1.50-12.70	<u> </u>

#### 備註 Remark:

- 1. A1011 CS為2000年取代原A569。
- 2. A1011 SS為2000年取代原A570。
- 3. A1011 HSLAS 為2000年取代原A607。



單位 Unit: mm

訂單厚度 Order Thick	訂單寬度 ness Order Width	900-986	987-1181	1182~1381	1381~1547
產品特性及鋼種 St 600 N/mm <sup>2</sup> 高強度低合金鋼 High Strength Low Alloy	eel Grade	6.40~9.09	6.40~9.09	6.40~9.09	— —
600 N/mm <sup>2</sup> 中碳鋼 Medium Carbon	SAE 1035 SAE 1050	1.45-12.70	2.00-12.70		<u></u>
300 N/mm <sup>2</sup> 花紋鋼捲 Checked Plate	CH FPC	2.00~12.70	2.00~12.70	2.00~12.70	2.76~12.70
400 N/mm <sup>2</sup> 花紋鋼捲 Checked Plate	CH/FPSS	2.30-9.09	2.30-9.09	2.30-9.09	2.76~6.39

和其 Quality Guarante For Hot Rolled Product 產品品質保證範圍

項 目 Item	熱心粗鋼捲 Hot rolled coil, non-skinpass	熱軋調質鋼捲 Hot rolled coil,skinpass	
厚度公差	参照JIS、	ASTM公差	
Tolerance on thickness	As per ASTM an	d JIS standards	
寬度公差	-0, +2	5mm	
Tolerance on Width	参照名	<b>S規範</b>	
機械性質	As per ASTM, JIS o	or others standard	
Mechanical property	参照名	<b>S規範</b>	
化學成份	As per ASTM, JIS and others standards		
Chemical composition			
	3′ :: 12~18 順	3′:6-10或12-18 願	
	3.5′: 15~19.5 順	3.5′: 6~11或15~19.5 噸	
	4′:16-22順	4′:8-13或16-22 順	
單重	5′:16~23 願	5′:8-14或16-23 順	
+= Coil weight	3′:12-18tons	3′: 6-10 or 12-18 tons	
COR WEIGHT	3.5': 15-19.5 tons	3.5": 6-11 or 15-19.5 tons	
	4':16-22 tons	4′: 8-13 or 16-22 tons	
	5′:16-23 tons	5′: 8~14 or 16~23 tons	
內徑 Inside diameter	762±35mm	762±25mm	



Name of the state of the state

Suitable for Domestic

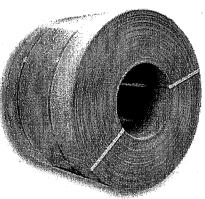
XXXTEEL
HOCHMINH CITY PORT
SIZE:1.600MMx1219.00MMxCOIL
N.W.:20,680KGS
G.W.:20,685KGS
ITEM NO.:1
COIL NO.:C63009557
HEAT NO.:07J7K2211
MADE IN TAIWAN

Suitable for export

HZ64PRA

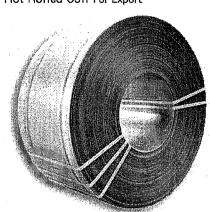
#### ELEX PACKING

#### 熱軋鋼捲內銷包裝 Hot Rolled Coil For Domestic



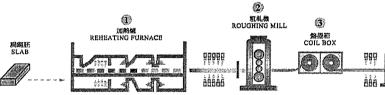
Coil For Domestic: Packing Illustration: Circumferential Strapping + eye Strapping

#### 熱軋鋼捲外銷包裝 Hot Rolled Coil For Export



Coil For Export:
Packing Illustration:
Circumferential Strapping + eye Strapping

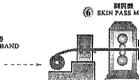
#### 製造流程 Manufacturing Processes



FINISHING MILL









附註

1.CH 1002

為中鴻規格,適合冷軋之沖壓用途或冷軋鍍鋅之電腦機殼用途。

2.CH M1005

為中鴻規格, 適合冷軋深沖用途。

3.CH FPC

中鴻規格, 適合花紋鋼板用途, 材質為SPHC。

4.CH FPSS

中鴻規格, 適合花紋鋼板用途, 材質為SS400。

1.CH 1003

specification named by Chung Hung is suitable for drawing quality of cold rolling product or computer case application of hot-dip galvanizing product used base metal of cold rolling coil.

2.CH M1005

specification named by Chung Hung is suitable for deep drawing quality of cold rolling product.

3.CH FPC

specification named by Chung Hung is suitable for checked plate. Its material is SPHC.

4.CH FPSS

specification named by Chung Hung is suitable for checked plate. Its material is SS400.



尺寸規格 Size Range & Specification

P. 產		規格 Grade		寬 度 (mm)	硬度(HRB)	備註
產 Product	Specification	CHS Spec code	厚 度 (mm) Thickness	Width	Hardness	Note
	JIS G3141 SPCC-1B	J1B	0.18-2.00	3' or 4'	85-101	<0.30mm 接單寬度3' <0.30mm ordering width 3
	CH-CH1B	HCH1B	0:40-3:50	850-1250mm	-	新要求訂單需個案討論 discussion for new order
	СН-СНМ1В	НСНМ1В	0.40-3.05	850-1250mm	_	新要求訂單需個案討論 discussion for new order
	CH-1B12C	H1B12C	0.40-1.75	3' or 4'	85 Min	
	CH-1B17C	H1B17C	0.50-1.75	3' or 4'	85 Min	
	CH-1B20C	H1B20C	0.50-1.75	3' or 4'	85 Min	
	CH-1B22C	H1B22C	0.50-1.75	3' or 4'	85 Min	
也 谐 烟	ASTM A 1008  ASTM A 1008  DIN 1623 Part1 St 12 03  DIN 1623 Part1 St 12 03  EN 10130-FeP01 A b  EN 10130-FeP01 A m  JIS G3141 SPCC-SB  JIS G3141 SPCC-SD	D1623P1D1 E10130B1 E10130D1 JSBCQ1 JSDCQ1	0.20-1,75	3' or 4'	45-65	<0.30mm 接單寬度3' <0,30mm ordering width 3
Carbon St	ASTM A 366 DIN 1623 Part1 St 12 03 EN 10130-FeP01 A b JIS G3141 SPCC-SB	AA366BC D1623P1BC E10130BC JSBCQC	0.20-1.75	3' or 4'	43-62	<0.30mm 接單寬度3' <0.30mm ordering width 3
	ASTM A 1008	AA 1008 DC	0.20-0.39	3' or 4'	58 Max	<0.30mm 接單寬度3' <0.30mm ordering width 3
	DIN 1623 Part1 St 12 03	D1623P1DC	0.40-0.59	3' or 4'	56 Max	
I	EN 10130-FeP01 A m	E10130DC	0.60-1.75	not 4'	54 Max	
	JIS G3141 SPCC-S d	JSDCQC	0.60-1.75	not 4'	56 Max	
	ASTM: A 1008 DIN 1623 Part1 St 12 03	AA366B2 D1623P1B2	0,20-0,30	3' or 4'	60 Max	<0.30mm 接單寬度3' <0.30mm ordering width 3
E	EN 10130-FeP01 A d	E10130B2	0.31-0.59	3' or 4'	56 Max	and the second s
	JIS G3141 SPCC-SB	JSBCQ2	0.60-1.75	3' or 4'	54 Max	



尺寸規格 Size Range & Specification

, 產	規格 Grade		厚 度 (mm)	(mm) 寛 度 (mm)	硬度(HRB)	備註
, 產 品	Specification	CHS Spec code		Width	Hardness	Note
	ASTM A1008	AA366D2	0.20~0.30	3' or 4'	60 Max	<0.30mm接單寬度3' <li>&lt;0.30mm ordering width</li>
B	DIN 1623 Part1 St 12 03	D1623P1D2	0.31-0.39	3' or-4'	56 Max	
	EN 10130-FeP01 A m	E0130D2	0.40-0.59	3' or 4'	54 Max	
Ĕ	JIS G3141 SPCC-SD	JSDCQ2	0.60-1.75	3' or 4'	52 Max	
	CH-LBCQ1	HLBCQ1	0.50-1.75	3' or 4'	48-60	*
	CH-CHSBCQ1	HYBCQ1	0.20~1.75	3' or 4'	<del>-</del>	<0.30mm接單寬度3' <0.30mm ordering width
	JIS G3141 SPCC-8B JIS G3141 SPCC-8D	J8B D8L	0.30~1.75	3' or 4'	50~65	
	CH-8B12C CH-8D12C	H8B12C H8D12C	0,30-1.75	3' or 4'	55-70	
	JIS G3141 SPCC-A	JA	0.30~1.75	3' or 4'	57 Max	
2	CH-1B35C	H1B35C	2.00-3.10	3' or 4'		
	CH-SB35C	SB35C	0.30-0.89 0080-1.98	3' or 4' 3' or 4'	60-80 85~98	
	CH-PKL CH-PKLS	HPKL HPKLS	0.80-1.20	3 or 4		Aim T. S.≥75 kgf/mm <sup>2</sup> 打包鐵帶用料 material for packing strip 硬度不測試 Hardness no provided
	CH-PKH CH-PKHS	HPKH HPKHS	0.80~1.20	3' or 4'	maneratura eta situ situ sul sul situ situ situ situ situ situ situ situ	Aim T. S.≥80 kgf/mm <sup>2</sup> 打包鐵帶用料 material for packing strip 硬度不測試 Hardness no provided

說明: 3'或4'係泛指3'、4'修邊及不修邊料。 Cut ege and mi11 edge are both available for 3' and 4'

8



1.厚度公差 Thickness Tolerances

(JIS G3141規範 Tolerance) 單位 Unit: mm

	(ここ ひこ 1417年記	roterance)	率应 Omc. mi
厚度公差		1000 以上未滿 1250 1000 or over and excl. 1250	
未滿 0.40 Under 0.40	± 0.020	± 0.020	± 0.020
0.40以上 末滿 0.60 0.40 or over and excl. 0.60	± 0.025	± 0.025	± 0.025
0.60以上 未滿 1.00 0.60 or over and excl. 1.00	± 0.030	± 0.030	± 0.030
1.00 以上 未滿 1.25 1.00 or over and excl. 1.25	± 0.040	± 0.040	± 0.040
1.25 以上 未滿 1.60 1.25 or over and excl. 1.60	± 0.050	± 0.050	± 0.050
1.60 以上 未滿 2.00 1.60 or over and excl. 2.00	± 0.055	± 0.060	± 0.065
2.00 以上 未滿 2.50 2.00 or over and excl. 2.50	± 0.065	± 0.070	± 0.075
2.50 以上 未滿 3.15 2.50 or over and excl. 3.15	± 0.075	± 0.080	± 0.085

說明 Notes: 厚度之量測位置為距鋼板邊緣15mm以上之任意點。 measurement on thickness shall be made at any point not less than 15mm apart form both side edges.

2.修邊料寬度公差 Trim ming Width Tolerance: +7mm,-0mm



1.厚度公差(軋下率>30%) Thickness tolerance(reduction>30%)

厚度範圍 Thickness(mm)	公 差 Tolerance(mm)
. ≤0.39	±0.02
0.40~0.59	±0.025
0.60~0.99	±0.03
1.00-1.24	±0.04
1.25~1.59	±0.05
1.60	1/2 JIS

#### 說明 Notes:

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- 1.) 厚度公差之量測基準為依鋼板寬度中心線為準。
- Thickness is measured at the central line of a coil. •
- 2.) 距鋼板邊緣15~70mm的部份之厚度,厚度公差以JIS為標準。 The thickness tolerance in the area between 15mm to 70mm from the edge of a coil is guaranteed in according with full range of JIS.



2. 修邊料寬度公差 Width tolerance of trimmed coils: +7mm, -0mm。

3.平坦度 Flatness

單位 Unit: mm

寬 度 Width	全波	邊 波 Edge wave	中 波 Buckle
≤ 999	12 Max	8 Max	6 Max
1000~1249	15 Max	9 Max	8 Max
1250~1300	15 Max	11 Max	8 Max

4.弧形度 Camber: 2mm max. in 2m.。

- 5.表面品質 Surface quality.:
- 1.) 表面瑕疵經電鍍(膜厚10 μm)可消除者 ・或經烤漆(膜厚20μm)可消除但單位 面積在1%以下。

994		缺陷面積		
甲仙	回横 =	m4	×100%	
		111		

2.) 中碳鋼及≤0.35mm之低碳鋼表面品質管制

- 5. Surface quality. :
- 1.) Surface defects could be covered by membrane (10  $\mu$  m) of electroplating, or membrane(20  $\mu$  m) of painting. The area of total surface defects is less than 1% of the coil surface.

230 4 444							
				area o	fitota		
85							
Perc	entage o	f area	a de c	urface	defer	tc	W 2 W
				ui , acc	oneier	·cs	100%
wwith	surface	defects	49.50	300140965	(46.646.65)	200	100/0
77101				coils	urface		
				Scottobook.	AND HEAD COME	2011945	
2025 ATTRECTABLE	TANKS OF PARTIE	CALABOTA SECTION	STREET, SHIPTING	COCAMON NO. 60	CANCEL AND IN THE	A SERVICE LA PARAME	A 2010

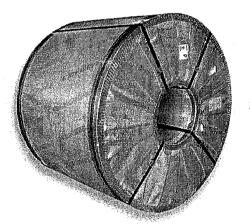
- The surface quality of low carbon steel with thickness less than or equal to 0.35mm and medium carbon steel means mainly single
- 6.其餘比照 JIS G3141規範 Other tolerances are in accordance with JIS G3141. •
- 7.不在此接單規範內之產品,依客戶需求個案討論 Products not included in this specification should be reviewed case by case •



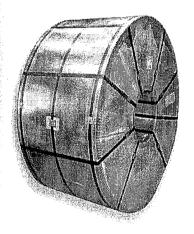




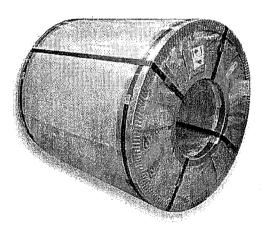
×××STEEL LOS ANGELES, CA USA SPEC.: JIS G3141 SPCC-SD CQC 0.720MMx915.00MMxCOIL NET WEIGHT:10,190KGS GROSS WEIGHT: 10,240KGS ITEM NO.:1 COIL NO.:T64010452 MADE IN TAIWAN



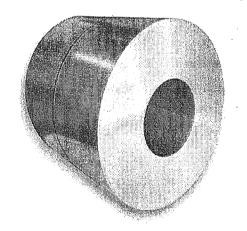
3. 內銷包裝 Domestic packing 防銹包裝紙 + 金屬護角 VCI Paper + Metal edge Protector



1. 外銷包裝 Export packing 防銹包裝紙 + 鐵皮 + 金屬護角 VCI Paper + Metal Protector + Metal edge Protector

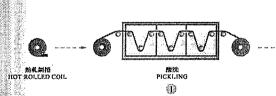


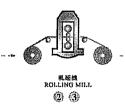
2. 外銷包裝 Export packing 防銹包裝紙 + 紙板 + 鐵皮 + 金屬護角 VCI Paper + Boardpaper + Metal Protector + Metal edge Protector

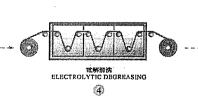


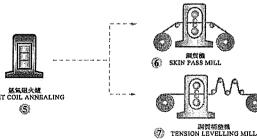
4. 裸包 Bared Packing

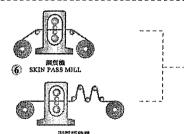
量流程 Manufacturing Processes

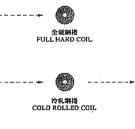












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包数 PACKING



1.接單生產JIS G3141對應規範,如: CNS G3195、ASTM A568、ASTM A1008...

2.CH-CH1B 為中鴻公司規格,係下述情形之冷軋硬質亮面鋼捲。

1.) 客戶指定原料厚度。

2.) 客戶指定材質。

3.) 軋機Cobble鋼捲。

3.CH-CHM1B 為中鴻公司規格,係有下述任一情形之冷軋全硬質亮面鋼捲。

1.) 客戶指定原料厚度。

2.) 客戶指定材質。

3.) 客戶指定機械性質。

4.CH-1B12C 為中鴻公司規格,材質符合SAE1012,冷軋12C硬質亮面鋼捲。

5.CH-1B17C 為中鴻公司規格,材質符合SAE1017,冷軋17C硬質亮面鋼捲。

6.CH-1B20C 為中鴻公司規格,材質符含SAE1020,冷軋20C硬質亮面鋼捲。

7.CH-1B22C 為中鴻公司規格,材質符合SAE1022,冷軋22C硬質亮面鋼捲。

8.CH-LBCQ1 為中鴻公司規格,冷軋調質亮面鋼捲。

9.CH-CHSBCQ1 為中鴻公司規格,適用於客戶只要求硬度目標值,但對化學成份與機械性質

不要求保證之冷軋調質亮面鋼捲。

10.CH-8B12C 為中鴻公司規格,冷軋1/8硬質亮面鋼捲。

11.CH-8D12C 為中鴻公司規格,冷軋1/8硬質鈍面鋼捲。

12.CH-PKL 為中鴻公司規格,碳含量 ≥0.08%打包鐵帶素材鋼捲。

13.CH-PKLS 為中鴻公司規格,碳含量 ≥0.08% 打包鐵帶索材鋼捲(送下製程分切)。

14.CH-PKH 為中鴻公司規格,碳含量 ≥0.14% 打包鐵帶索材鋼捲。

15.CH-PKHS 為中鴻公司規格,碳含量 ≥0.14% 打包鐵帶素材鋼捲(送下製程分切)。



1. The specifications of products equivalent to JIS G3141 such as CNS G3195, ASTM A568, ASTMA1008 can admitted as per definition described above.

2.CH-CH1B CHUNG HUNG's specification, is full hard, bright finish cold rolled steel sheet under following

1.) The thickness of hot rolled coil specified by the customers.

2.) Grade specified by the customers.

3.) Cobble coils.

3.CH-CHM1B CHUNG's specification, is full hard, bright finish cold rolled steel sheet under following

1.) The thickness of hot rolled coil specified by the customers.

2.) Grade specified by the customers.

3.) Mechanical properties specified by the customers.

4.CH-1B12C CHUNG HUNG's specification, is equivalent to SAE1012, with full hard bright finish steel sheet.

5.CH-1B17C CHUNG HUNG's specification, is equivalent to SAE1017, with full hard bright finish steel sheet.

6.CH-1B20C CHUNG HUNG's specification, is equivalent to SAE1020, with full hard bright finish steel sheet.

7.CH-1B22C CHUNG HUNG's specification, is equivalent to SAE1022, with full hard bright finish steel sheet.

8.CH-LBCQ1 CHUNG HUNG's specification, is cold rolled bright finish skinpassed steel sheet.

9.CH-CHSBCQ1 CHUNG HUNG's specification, is applicable to cold rolled bright finish skinpassed steel sheet

requested only aiming hardness value by the customers, but chemical composition and

mechanical properities are not requested to guaranteee.

10.CH-8B12C CHUNG HUNG's specification, is cold rolled 1/8 hard bright finish steel sheet.

11.CH-8D12C CHUNG HUNG's specification, is cold rolled 1/8 hard bull finish steel sheet.

12.CH-PKL CHUNG HUNG's specification, is carbon ≥0.08% with steel strapping.

13.CH-PKLS CHUNG HUNG's specification, is carbon ≥0.08% with steel strapping(cut coil).

14.CH-PKH CHUNG HUNG's specification, is carbon ≥0.14% with steel strapping.

15.CH-PKHS CHUNG HUNG's specification, is carbon ≥0.14% with steel strapping(cut coil).



Cold-Rolled Steel Sheet In Coils Remarks In Order 。 細 接 訂 貨 需 註 明 事 頂

#### 說明 Notes

1.訂單厚度.The order quantity of SPCC-1B, SPCC-SBCQ1, SPCC-SDCQ1, SPCC-SBCQ2, and SPCC-SDCQ2 for thick ness between 0.18 and 0.29mm should be reviewed in "Production and Sales Meeting"。

#### 2.鋼捲內、外徑 Inner and Outer Diameters

- 1.) 內徑 Inner Diameter: 508mm。
- 2.) 外徑 Outer Diameter:

a.全 硬 板 Full Hard Product: 2000mm(Max)。 b.非全硬板 Non-Full Hard Product: 1800mm(Max)。

#### 3. 鋼捲加套筒The following products are with sleeves

- 1.) 清洗線產出鋼捲The coil produced from electrolytic degreasing line
  - 厚度 Thickness ≤ 0.38mm。
- 2.) 精整線產出鋼捲The coil produced from tension leveller line
  - a.鋼捲不分切 Non-cut coil: •厚度Thickness ≤ 0.45mm。

b.鋼捲分切 Cut coil: •厚度 ≤ 0.35mm之全硬板及調質鈍面板Full hard coils and skinpassed dull finish coils with thickness ≤ 0.35mm. ∘

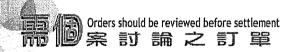
•厚度 ≤ 0.40mm之調質亮面板Skinpassed bright finish coils with thickness ≤ 0.40mm.

#### 4.鋼捲單重Coil weight

- 1.) 3呎不分切13~18順:分切5~10順或10順(Max) 3' width, non-cut coils:13~18 tonnes; cut coils:5~10 tonnes or 10 tonnes(max.)。
- 2.) 4呎不分切16~23.5噸;分切7~13噸或13噸(Max) 4' width, non-cut coils:16~23.5 tonnes; cut coils:7~13 tonnes or 13 tonnes(max.)。
- 3.) 其餘寬度之鋼捲單重,以4呎(1219mm)寬度當基準轉換之The weight of coils with width other than 4' (1219mm) to calculated.。

#### 5.CH-LBCQ1 及中碳鋼之硬度值係指試片取樣測試後,對鋼捲放行之篩選值。

The hardness of CH-LBCQ1 represents the hardness of specimen taken from the coil. This hardness value is for indication of the material not for guarantee of the hardness of whole coil.



1. A項產品內低碳鋼之非定尺產品,接單與否需個案討論。

Low carbon steel products with dimensions not listed in category A.

#### 2. 非在A項內產品接單與否需個案討論

Products not in category A .

3. A項產品中,客戶對品質特性或製程條件有特殊需求時,則接單與否需個案討論
Products in category A, but customers have special requirements in quality process conditions.

#### 名詞解釋 Terms:

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3'或 4':係泛指 3'、 4'修邊及不修邊料"3 feet" or "4 feet" generally mean coils of 3 feet or 4 feet in width, trimmed or not trimmed.



鍍鋅鋼捲平坦度佳,表面美觀,廣泛用於家用電器、建材、運輸與辦公傢俱等。

Hot-dipped galvanized products

have excellent flatness.

This material is suitable for home appliances,

in architectural applications,

for furniture and transportation equipment.



#### 產品規格及用途 Products Specification and Application

項目 Item	冷軋鍍鋅鐗	卷 CGT	熟軋鍍鋅鐗抩	≝ HGI		
享度 Thickness	0.78mm ~ 1.6mm		1.2mm ~4.0mm			
竟度 Width		1000mm ~ 12	50mm			
为徑 <i>I.D</i> .	610mm					
鋼捲單重 Weight	25 MT max					
		120 ~ 350g.	/m2			
鋅層重量 Zinc Mass	JIS G3302	ASTM		ASTM		
		A653-95		A653M-95		
	Z12 ~Z35	G40~G1	, , , , , , , , , , , , , , , , , , ,	Z120~Z350		
表面鋅花 Surface Finish		一般鋅花 Regula	r:Spangle			
表面處理 Surface Treatment	不處理(M)/鉻酸處理(C)					
	JIS JI	EN	ASTM	AS		
	JIS G3302	10142	A653-95	1397Gr.450		
	(冷軋基板)	DX51D	CSTYPEA			
	SGCC	10147	CSTYPEB	-		
	SGC340	\$340	***************************************			
	SGC400	\$380		To execute score.		
規格種類			***	· · · · · · · · · · · · · · · · · · ·		
Equivalent Spec.	JIS G3302		*************	William: 1811		
,	(熱軋基板)		***************************************	***		
	SGHC		***************************************	**********		
	SGH340		***************************************	-		
	AL 49 Y F 4 A A	1		****		
	SGH400					

