



**Australian Government**

**Australian Customs and  
Border Protection Service**

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## **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:** 21 MARCH 2013(EXTENDED TO APRIL 4)

**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:

Name:	<b>Y. C. Han</b>
Position in the company:	<b>General Manager of Marketing Administration Department</b>
Address:	<b>1 Chung Kang Road Hsiao Kang Kaohsiung Taiwan, R.O.C.</b>
Telephone:	<b>+886 7 802 1111</b>
Facsimile number:	<b>+886 7 802 0462</b>
E-mail address of contact person:	<b>082479@mail.csc.com.tw 172718@mail.csc.com.tw</b>

**Factory:**

Address:	<b>1 Chung Kang Road Hsiao Kang Kaohsiung Taiwan, R.O.C.</b>
Telephone:	<b>+886 7 802 1111</b>
Facsimile number:	<b>+886 7 802 0462</b>
E-mail address of contact person:	<b>172718@mail.csc.com.tw</b>

**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:	<b>Andrew Percival</b>
Organization	<b>Corrs Chambers Westgarth</b>
Address:	<b>Governor Phillip Tower 1 Farrer Place SYDNEY NSW 2000</b>

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Telephone:	+61 2 9210 6228
Facsimile/Telex number:	+61 2 9210 6611
E-mail address of contact person:	andrew.percival@corrs.com.au

*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.*

## A-3 COMPANY INFORMATION

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

**China Steel Corporation ("CSC") is a company limited by shares established in accordance with the Company Law of Taiwan.**

**CSC does not use other business names to sell goods.**

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

**CSC is a publicly traded company listed on the Taiwan Stock Exchange. As such, the holding of each shareholder will vary from time to time in line with the shareholder's trading in the stock market.**

**Based on the shareholders' roster dated 17 April 2012, only one shareholder - Ministry of Economic Affairs - owns more than 5% of CSC's shares. Its shareholding is 20%.**

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

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

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

**Not applicable.**

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

**Please refer to Confidential Exhibit A-3.5 for a chart showing CSC's affiliated companies.**

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

**Not applicable.**

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

**CSC is a producer of steel products.**

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:

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

**CSC produces and sells the goods in the domestic market and also exports the goods to other countries, including Australia.**

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

**CSC is organized into seven divisions, which are structured based on their respective functions.**

**The Engineering Division was originally established to manage the establishment of new manufacturing facilities at CSC. In recent years, due to the lack of plant expansion projects at CSC, it has mainly conducted contract-engineering work for other companies.**

**The Technology Division is in charge of research and development of process technologies, metallurgy and new materials.**

**The Production Division is in charge of the production of CSC's merchandise from raw material through iron-making, steel-making, rolling, inspection to packing. It is also in charge of plant administration.**

**The Finance Division is in charge of CSC's financing and accounting.**

**The Administration Division is in charge of CSC's general administration.**

**The Commercial Division is in charge of sales, marketing, transportation and procurement.**

**The Corporate Planning Division is in charge of legal, secretarial, industrial engineering, and corporate strategy.**

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**Please refer to Confidential Exhibit A-3.9 for CSC's internal organization chart.**

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 CSC's board of Directors, Managing Directors and Senior Executives.**

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 CSC's audited financial statements for 2012 and 2011; and**

**Exhibit A-3.11 for CSC's product catalogue of hot rolled steel products.**

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

- Suppling/selling completed or partially completed products.
- Suppling/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.
- Trading in products/materials supplied by related parties.

**Please refer to Confidential Exhibit A-3.12 for all purchases/sales from/to related parties and management functions performed by CSC within related parties.**

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

1. Indicate your accounting period.

**CSC's accounting period is calendar year (1 January to 31 December).**

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

**CSC's accounting records are accessible at No. 1 Chung-Kang Road, Hsiao Kang, Kaohsiung, Taiwan.**

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

- chart of accounts;

**Please refer to Confidential Exhibit A-4.3.a for CSC's chart of accounts.**

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



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**Please refer to:**

**Confidential Exhibit A-4.3.b(1) for CSC's audited unconsolidated financial statements for 2012 and 2011;**

**Confidential Exhibit A-4.3.b(2) for CSC's audited consolidated financial statements for 2012 and 2011.**

- 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.

**Please refer to Confidential Exhibit A-4.3.c for CSC's internal income statements for 2011, 2012, and the first two months of 2013.**

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
- the company overall.

**CSC does not have divisional, factory/facility or product-specific income statements. 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.

**Not applicable.**

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

**CSC's accounting practices are in accordance with the generally accepted accounting principles ("GAAP") of Taiwan.**

6. Describe the significant accounting policies that govern your system of accounting, in particular:

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

**CSC uses the weighted average method in valuing inventory of raw materials, work-in-process, and finished goods.**

- 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);

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**When the production process involves more than one product, total costs incurred are allocated to the different products by the output quantity of each product.**

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

**In CSC's cost accounting system, total manufacturing cost is allocated only to prime products. Non-prime products - including secondary, salvage and scrap - are valued at their standard cost, and then deducted from the total manufacturing cost at their recovery value.**

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

**Scraps and by products are valued at standard cost, and their recovery value is deducted from total input cost. CSC does not have joint products.**

- valuation and revaluation methods for fixed assets;

**Property, plant and equipment, except for land, are stated at cost or cost plus revaluation increment less accumulated depreciation. Borrowing costs directly attributable to the acquisition or construction of property, plant and equipment are capitalized as part of the cost of those assets. Major additions, renewals and improvements are capitalized, while costs of maintenance and repairs are expensed currently.**

**Spare parts are intended for use in the repairs of machinery and equipment. Depreciation of major spare parts is calculated by the straight-line method over the shorter of the useful life of the supported equipment or their own useful lives. Depreciation of rollers is calculated based on their level of wear.**

- 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 life of equipment and assets as follows:**

- land improvements - 15 to 40 years;
- buildings and improvement - 5 to 60 years;
- machinery and equipment - 3 to 25 years;
- transportation equipment - 3 to 20 years; and
- miscellaneous equipment - 3 to 10 years.

**Depreciation on re-valued assets is calculated by the straight-line method over the remaining service life of the re-valued asset.**



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**When a property reaches its residual value but is still in use, its residual value is depreciated over its re-estimated service life.**

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

**Non-derivative foreign-currency transactions are recorded in functional currency at the rates of exchange in effect when the transaction occurred. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in the profit or loss account.**

- 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 revalued using prevailing exchange rates and the exchange differences are recognized in the profit or loss account.**

- inclusion of general expenses and/or interest;

**CSC does not capitalize general and administrative expenses. Interest expenses associated with the acquisition of machinery and other fixed assets are capitalized. Capitalized interest expenses would become part of the fixed asset values and depreciated by the same method and same service life as that of the acquired machinery / fixed assets.**

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

**CSC does not set out provision for doubtful accounts in respect of receivables via letters of credit. CSC provides a full (100%) provision for doubtful accounts on accounts receivable that are overdue and assessed as exposed to non-collectible risks.**

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

**Not applicable.**

- costs of plant closure;

**Not applicable.**

- restructuring costs;

**Not applicable.**

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

**Scraps and by products are valued at standard cost, and their recovery value is deducted from total input cost.**

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- 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.

**(a) Change relating to financial instruments**

**From 1 January 2011, CSC adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement". The main revisions include:**

- (1) changes to treatment of impairment of finance lease receivables;**
- (2) scope of application to insurance contracts;**
- (3) coverage of loans and receivables originated by the enterprise;**
- (4) additional guidelines on impairment of financial assets carried at amortized cost when the 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 CSC's financial statements as of and for the year ended 31 December 2011.**

**(b) Change relating to operating segments**

**From January 1, 2011, CSC adopted the newly issued SFAS No. 41, "Operating Segments". The requirements of the statement are based on the information about the components of the enterprise and its subsidiaries 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 enterprise'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 31 December 2010 has been recast to reflect the new segment reporting requirement.**

## 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.

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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 CSC's income statement spread sheet.**

### 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.

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 CSC's turnover spread sheet.**

### 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.

**As an integrated mill, CSC itself manufactures the steel slab and hot-rolled coil bands used as raw material in the production of heavy plates and hot-rolled plate steels.**

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

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**Please see Confidential Exhibit A-7.2 for production flowchart of the goods. Please note that the production for hot-rolled plate and hot-and rolled sheet use the same facilities, whereas the process for manufacture of plates (known as heavy plates in CSC) is completely different. The scrap that are produced in this process, are sold and deducted from total input cost.**

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 CSC's production spread sheet.**

**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:*

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

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

### [Confidential Customer Details]

**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.

**[Confidential Commercial Terms]**



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[Redacted]  
[Confidential Commerical Terms]

Please see Confidential Exhibit B-2.a for a chart setting out the terms of delivery and payment.

- (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.

[Redacted]  
[Confidential Customer Details] CSC does not pay commissions to any party.

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

[Redacted]  
[Confidential Commercial Terms]

CSC as seller/shipper will pass ownership and transfer risk to the buyer at the point at which [Redacted].

- (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).

CSC does not have any agency or distributor agreements in relation to its export sales to the Australian market.

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

Please see Confidential Exhibit B-2.e for a flow chart explaining the sales process.

[Redacted]  
[Confidential Information on Price Negotiations]

- (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).



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[CSC is not related to 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 details of 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.

**There was only one channel for export sales during the IP.**

- 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	Explanation
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 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
Low temperate tested	Low temperature (Charpy) tested, and if so, tested to what temperature.
High temperature (tensile) tested	Indicate if the steel plate has undergone high temperature (tensile) testing.
Through thickness (tensile) tested	Indicate if the steel plate has undergone through 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

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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 confirmation	Date order is confirmed
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
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 value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
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

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

### Notes

\*\* FOB export price and Ocean Freight:

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

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

Freight allocations must be checked for consistency.

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

**Please refer to Confidential Exhibit B-4 for CSC's Australian sales spread sheet.**

**For product coding information, please refer to Section C.**

- 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.

**CSC does not have other costs, charges or expenses incurred in respect of the exports.**

- B-6** For each type of discount, rebate, or allowance offered on export sales to Australia:
- provide a description; and
  - explain the terms and conditions that must be met by the importer to obtain the discount.

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

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**No discounts, rebates or allowances were offered by CSC on export sales to Australia.**

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

**No credit notes were issued by CSC on export sales to Australia.**

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

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

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

**Please see Confidential Exhibit B-9.a and Confidential Exhibit B-9.b for documentation in relation to the following two selected shipments to Australia:**

- Invoice number: [REDACTED]; and
- Invoice number: [REDACTED]



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**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.

CSC exported hot rolled plates into Australia during the investigation period. No heavy plates were exported to Australia by CSC. The specification of the goods exported to Australia is listed in the following table:

CSC Internal Code (PSR code)	Specification
██████	████████████████████
██████	████████████████████
██████	████████████████████

Please note that the only difference between ██████████ is product thickness, they are otherwise identical in composition and specification. Please refer to Exhibit A-3.11 for a product catalogue with specification details.

Also, please refer to the two sample mill certificates provided with Confidential Exhibit B-9.a (at 6-10) and Confidential Exhibit B-9.b (at 5).

- 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 CSC-Confidential Exhibit B-4.

For column "Model", CSC assigned product control numbers (PCN) in order to properly demonstrate the likeness and similarity among various hot-rolled products which were sold in Australian and the domestic market. Please refer to CSC-Confidential Exhibit C-2.a for the coding rule for the assigned Product Control Number, which is explained as below:

**Parameter 1:** product category ("P" for heavy plate, "T" for hot-rolled plate/sheet).

**Parameter 2:** the internal product codes (dubbed as PSR codes). These internal product codes consist of 5 digits and are used in the normal course of business at CSC. The codes are self-explanatory. Using the example "██████" for illustration:

██████				
1st digit:product group	█		████████████████████	
2nd digit:specification (technical standard)	█		████████████████████	
3rd~5th digit:specification number	███		████████████████████	

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**Parameter 3: the thickness category.**

**Parameter 4: the width category.**

**Parameter 5: the quality (prime or non-prime) of the product.**

**The comparison between export prices and domestic prices can thus be carried out on the basis of identifying the same model / PCN of domestic sales.**

**Please refer to Confidential Exhibit C-2.b for list of the goods exported to Australia.**

- 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

Whenever possible, CSC has identified exactly the same goods (by the model numbers assigned to the export sales) and reported those sales in its domestic sales spread sheet at Confidential Exhibit D-4. Where no domestic sales of identical model numbers were found, CSC hereby presents Confidential Exhibit C-3 to indicate domestically sold identical or most similar standards/models/types.

For the like goods of the domestic sales, please also refer to our reply to the below E-2.1.

Where there is difference between thickness and width of product sold domestically and to Australia, adjustment can be made by reference to CSC’s



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**[REDACTED]**, please see Confidential Exhibit D-3.b for details on extra price for spec/size difference.

- 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.

**Please refer to the sample mill certificates provide in Confidential Exhibit D-7.a, Confidential Exhibit D-7.b, and Confidential Exhibit E-2.1.a.**

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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.*

*All 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 and you are unable to provide the complete listing electronically you **must** contact the Case Manager **before** completing the questionnaire.*

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

**D-1 Provide:**

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

**CSC sells the goods in the domestic market mainly via two channels:**

- to distributors who purchase for resale,;
- to end users.

**Please see Confidential Exhibit D-1.a for a chart showing distribution channels and indicating delivery and payment terms and Confidential Exhibit D-1.b for the concordance list of all domestic customers.**

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

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**Distributors will on-sell the goods, primarily to end users. End users will use the goods in production activities.**

**For the two categories of customers, CSC conducts similar selling activities and services, such as warranty service and delivery arrangement.**

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

**CSC has not entered into any agency or distributor agreement with its customers, thus this question is not applicable.**

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.

**CSC's terms of sale and prices do not vary as between affiliated and unaffiliated customers.**

- 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.

**No, CSC's prices do not vary by channels of distribution.**

[Redacted] [Confidential Price Information]

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

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

**CSC uses [Redacted] types of price lists in making domestic sales.**

[Redacted]  
[Redacted]  
[Redacted] [Confidential Price Information]

[Redacted]

[Redacted]  
[Redacted]

[Redacted] [Confidential Price Information]

**The price lists do not differentiate between customers.**

**The sales process is initiated by way of CSC issuing a transaction note to**

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its customers after CSC issues a new price list for the following period. This note is provided based on the quantity and main product groups ordered by the customer concerned in the last quarter. The customer considers this note for the purposes of deciding what it has ordered, and what it will need to order for the coming period. If the estimates are acceptable, it will then confirm the transaction note with CSC.

Then the customer uses CSC's e-commerce system to set out the requested specification, quantity and delivery schedule. CSC will issue the customer a rolling sales contract based on the order. CSC then begins to process the internal sales orders. The rolling sales contract for the applicable period will be updated if the customer makes further orders through the CSC e-commerce system

Once production is finished and the relevant goods are ready for delivery, CSC notifies its customer, and a delivery note will be issued. When the product is shipped, CSC issues its invoice – in the form of the standard Taiwanese invoice (referred to as a "GUI") to its customer.

Please see Attachment Confidential Exhibit D-3.a for a flowchart setting out the sales process for domestic market.

- whether price includes the cost of delivery to customer.

If the customer requires CSC to arrange delivery, CSC adds the inland freight to the goods value and the total value would then be shown on the invoice.

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

As explained above, [REDACTED]  
[REDACTED]. Please see Confidential Exhibit D-3.b for a summary of [REDACTED] prices applicable during the IP [REDACTED]. [Confidential Price Information]

- 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
--------	-------------

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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 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
Low temperate tested	Low temperature (Charpy) tested, and if so, tested to what temperature.
High temperature (tensile) tested	Indicate if the steel plate has undergone high temperature (tensile) testing.
Through thickness (tensile) tested	Indicate if the steel plate has undergone through 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 produced to (e.g. Australian Standard, Japanese Standard, British Standard)
Order number	show order confirmation number
Date of order confirmation	Date order is confirmed
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
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 <i>in the currency of sale</i> , 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 a description.



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Net invoice value	the net invoice value expressed in your domestic 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 discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Notes

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

**Please see Confidential Exhibit D-4 for CSC's domestic sales spread sheet.**

- 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.

**In the time available CSC has done its best to identify costs, charges or expenses which would need to be considered for adjustment purposes. CSC reserves the right to present further information before or during the verification process if such information is properly identified.**

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

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

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



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CSC grants a number of discounts, rebates and other adjustments from prices charged to its domestic market customers. These are required due to competitive market pressures in the steel industry.

### 1 Quantity discount

CSC grants a quantity discount to domestic market customers with large purchasing volume. This discount varied from [REDACTED] to [REDACTED] during the investigation period. Please see Confidential Exhibit D-6.a for a schedule setting out the quantity discounts for the domestic market during the IP. This discount is combined with the on-schedule delivery discount (see 2 below) for calculation and is shown as one figure in the invoice.

### 2 On-schedule delivery discount

CSC grants an on-schedule delivery discount for domestic market customers who take delivery based on the schedule set forth in the sales order. This discount is used as an incentive to keep customers from accumulating inventory at CSC. The amount of discount is also calculated as a given amount per metric ton ([REDACTED]). There is no minimum purchase volume required to trigger this discount. Please see Confidential Exhibit D-6.a for a schedule setting out the on-schedule discounts for the domestic market during the IP. This discount is combined with the quantity discount (see 1 above) for calculation and is shown as one figure in the invoice.

### 3 Retroactive price rebate & Other Adjustments("Reason Amount")

CSC offers a retroactive price rebate to all home market customers when market prices change between quarters. This is a longstanding, well-known and well-established trading practice between CSC and its customers. Prices for shipments made after publication of a new price list for the next quarter may be revised downwards in the invoice to account for the fact that base steel prices decreased after the customer made its original order.

CSC also granted several other types of price adjustments on domestic sales during the IP, as listed in Confidential Exhibit D-6.b.

(Please note that rebates in the column of "Rebate" of Confidential Exhibit D-4 are reported as a "positive" figure, while price upward adjustments are reported as a "negative" figure in the said column.)

### 4 Year-end rebate

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CSC grants a year-end loyalty rebate to domestic customers. The year-end rebate for 2012 sales was determined at the end of 2012. At the end of each year CSC will first set aside a global budget year-end rebate amount, then, it will take references from the annual total order value and profit contribution ratio of each customer within each product group to allocate the global year-end rebate amount to each customer. The rebate is to reward customers' loyalty to CSC, and to incentivize them to maintain long-term relationship with CSC. The payout amount is in a lump sum (of all applicable product groups to each customer). For the purpose of Confidential Exhibit D-4, we allocated the actual payout amount of year-end rebate of each customer first to each product group, and then we divided the amount granted to the GUC by the total sales amount of the GUC purchased by the same customer to obtain the unit rebate ratio (unit rebate per each NTD). Lastly, for each transaction, the sales value (excluding freight) is multiplied by the rebate ratio applicable to each customer to obtain the year-end rebate amount reported in that transaction.

- D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales.

Provide a complete set of documentation for those two sales. Include, for example:

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

Please see Confidential Exhibit D-7.a and Confidential Exhibit D-7.b for domestic sales documentation in relation to these two sales:

Invoice number [REDACTED]; and

Invoice number [REDACTED].

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

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**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.*

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**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.

**Inland freight has been reported on an actual basis and allocated by quantity for the goods shipped in the same shipment.**

**Please refer to Confidential Exhibit E-1.1.a for the worksheet of calculation for inland freight.**

**The general ledger account of export expense is provided in Confidential Exhibit E-1.1.b.**

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

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

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

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

**The handling charges reported by CSC in Confidential Exhibit B-4 are as follows:**

**(a) Brokerage expense**

**The brokerage expenses are reported on an actual basis. The applicable rate is [REDACTED] per shipment, which is the combination of [REDACTED] for brokerage service charge and [REDACTED] for documentation processing fee.**

**The calculation worksheet is provided in Confidential Exhibit E-1.2.a.**

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## (b) Harbour service fee (charged by government)

The harbour service fee is reported on an actual basis. The harbour service fee rate was [REDACTED] per ton (bulk cargo).

The calculation worksheet is provided in Confidential Exhibit E-1.2.b.

## (c) Trade promotion fee (charged by government)

The trade promotion fee was reported on an actual basis, allocated to each product type included in the same shipment by quantity.

The trade promotion fee is [REDACTED] of the [REDACTED] value of the export goods.

The calculation worksheet is provided in Confidential Exhibit E-1.2.c.

## (d) Loading fee

The loading fee includes wharfage, (ie, the amount charged for wharf passage and longshoring) and stevedoring (ie, the amount charged for hooking the cargo from trucks). The loading fee is reported on an actual basis, allocated to each product type included in the same shipment by weight.

The calculation worksheet is provided in Confidential Exhibit E-1.2.d.

## (e) Survey fee

The total survey fee is the survey fee plus photo fee for each shipment.

The calculation worksheet is provided in Confidential Exhibit E-1.2.e.

- [Survey fee] – the survey fee was charged at the following rates previous to May, 2012:

Weight (MT) X	Survey Fee (NTD)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]



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- Photo fee - the photo fee was [REDACTED] per photo and [REDACTED] per extra-development before May, 2012.
- [Survey fee]- survey fee rate was revised to the following, starting from May, 2012:

Weight (MT) X	Survey Fee (NTD)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

- Photo fee- Starting from May 1, 2012, photo fee has been combined into the new survey fee rate, without additional charges.

## (f) Bank charge

CSC has reported the bank charge for each draft on an actual basis based.

Please see Confidential Exhibit E-1.2.f for the calculation worksheet of unit bank charge.

The general ledger accounts of the above expenses are listed in Confidential Exhibit E-1.1.b.

## 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.

CSC [REDACTED]. The payment term of all of CSC's Australian sales during the IP was [REDACTED].[Confidential Commercial Terms]



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### 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'.

**Packing materials and labour costs are recorded in factory overheads. There is no packing for heavy plates, and packing for hot-rolled plates and sheets is nearly the same for domestic sales as for Australian sales. Therefore, CSC did not report packing costs as an adjustment item.**

### 5. Commissions

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

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

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

**Not applicable.**

### 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.

**CSC has reported the service fee charged by [REDACTED]. ("REDACTED") in this column, the service fee was charged at [REDACTED] % of total net export value, and paid monthly by CSC to [REDACTED].**

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### 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.

**Not applicable. CSC does not claim a currency conversion adjustment.**

### E-2 COSTS ASSOCIATED WITH DOMESTIC SALES

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

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

#### 1. Physical characteristics

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

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

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

**For model numbers in Confidential Exhibit B-4 (Australian sales) that cannot be matched identically to Confidential Exhibit D-4 (Domestic sales spread sheets), similar products are identified in Confidential Exhibit C-3.**

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Specifically for [REDACTED] the most similar product would be [REDACTED] under CSC's internal PSR coding system. Both [REDACTED] and [REDACTED] are structural grades with similar chemical composition and mechanical properties, i.e., equivalent tensile and bendability requirements (see Confidential Exhibit C-3 and p.8 of Exhibit A-3.11 for specification details). Although chemical composition requirements differ between JIS and AS standard, in reality, given the same production process for the two products, the end products conform to both standards. See Confidential Exhibit E-2.1.a for sample test certificate issued for [REDACTED] sales during the investigation period, which clearly shows that chemical composition and mechanical properties of [REDACTED] conform to that of [REDACTED].

For the comparison of "[REDACTED]", which is denoted as "[REDACTED]" and "[REDACTED]" in CSC's PSR coding system, the difference between Australian and domestic sales products lies in [REDACTED]. The price difference for [REDACTED] provided in Confidential Exhibit D-3.b., and the [REDACTED] can be neutralized by the [REDACTED] are provided in Confidential Exhibit G-3.a).

## 2. Import charges and indirect taxes

If exports to Australia:

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

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

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

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

In substantiating the drawback claim the following information is required:

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

### Substitution drawback systems

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

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

**Not applicable. No tax exemption or drawback applies.**

### **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.

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:

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

This requires the following information:

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

or

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

**Not applicable. There are no relevant trade level differences and no adjustment is necessary or claimed.**

#### 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:

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

Provide the applicable interest rate over each month of the 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,<sup>1</sup> the average credit period may be determined as follows:

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

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

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

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

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

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

### *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:

**Credit terms have been identified in CSC's domestic sales spread sheet.**

**Please see Confidential Exhibit E-2.4 for the applicable monthly interest rate on NTD short-term borrowing.**

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

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### 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.

**CSC has reported inland transportation costs on an actual basis.**

**The general ledger account is** [REDACTED].

### 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.

**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**".

**Please see response to E-1.4 above.**

### 8. **Commissions**

For any commissions paid in relation to the domestic sales:

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

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

**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.

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CSC reported the warranty amount in the column of "Rebate".

When a customer makes a claim for defective merchandise, CSC will send its personnel to determine the quantity and value of the defective merchandise. Based on this assessment, the customer will receive a refund of the price paid for the affected tonnage as compensation. Refunds for defective merchandise are reported in the domestic sales spread sheet.

A sample warranty record is provided in Confidential Exhibit E-2.9.

Please note that there is no separate account for warranty expenses in CSC's accounting ledgers. The refund would be recorded under "400100" as a deduction in sales with the reason code of "B3", please refer to Confidential Exhibit D-6.b for a list of reason (rebate) codes.

### 10. Other factors

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

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

In the time available CSC has done its best to identify costs, charges or expenses which would need to be considered for adjustment purposes. CSC reserves the right to present further information before or during the verification process if such information is properly identified.

### E-3 DUPLICATION

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

For example:

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

Separate adjustment items must avoid duplication.

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

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**Not applicable. No duplication is evident.**

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## 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 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



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	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.a Third Country Sales and Confidential Exhibit F-1.b Concordance Table of Third Country Customers.**

- 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 CSC's sales to Australia and to other third countries which would likely affect comparison of them.**

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<b>SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE</b>
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*The information that you supply in response to this section of the questionnaire will be used for various purposes including:*

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

*You will need to provide the cost of production of both the exported goods (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:*

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

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

**CSC has provided export and domestic sales data from 2012 1Q to 2012 4Q in response to question B4 and D4. The date of sales for both domestic and Australia sales is reported as the “voucher date”, which is identical to invoice date in domestic sales, but may be slightly later than the invoice date for export sales (difference ranging from 0-8 days, since it is determined by the date of customs declaration, corresponding to international accounting practice).**

**Cost data for the relevant models also covers the same period, but for sales of certain models that did not occur in the same quarter as its production (and no unit cost is available for that quarter), we reported the unit cost in previous quarters (including 2011 Q4 costs for sales in 2012 Q1). For models that still do not have available cost in previous quarters, we reported the cost for the product most similar to it (please see note in Confidential Exhibit G-3 and G-4).**

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

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### 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.

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

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

**Please see Confidential Exhibit G-2.1 for illustration of cost reconciliation.**

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. CSC's cost accounting system is not based on standard costs.**

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

**Not applicable. There were no significant or unusual cost variances that occurred during the IP.**

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

**Please see Confidential Exhibit G-2.4 for the list of direct and indirect cost centres in relation to the goods.**

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

- **Producing Cost Centre - converts raw material or semi-finished material into product, which may be for captive use or for sale, such as for the hot strip mill which uses slabs as inputs to produce hot-rolled bands.**
- **Service Cost Centre - renders services to other cost centres, eg: the maintenance unit provides various machining and repair services, and the utility department provides various water and electricity services. Costs incurred by service cost centres are charged to the recipient cost centre.**
- **Auxiliary Cost Centre - provides services to a specific producing cost centre, eg the roll unit provides roll and guide design services to the rolling mill cost centre.**

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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.

**In CSC's ordinary cost accounting system, costs are tracked and cumulated at cost centres on an aggregate, actual basis and by the processing cost method, ie one average cost for the product produced at a given cost centre. A group of relevant cost centres which are geared toward the production of a specific product group is termed "Allocation" in CSC's own parlance.**

**When one product is introduced as an input to the production of another product, the input cost is the average production cost of the upstream product. Within a product group, CSC does not calculate or maintain detailed cost for different specifications or types.**

**The costs captured in service or auxiliary cost centres, including those for water, electricity and maintenance, are allocated to producing cost centres based on the actual consumption of each producing cost centre.**

**When more than one producing cost centre is involved with one product, its total costs would be allocated to the output quantity of the product.**

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

**In CSC's ordinary cost accounting system, one average cost is recorded for the product produced at a given cost centre, and within such product group.**

**CSC does not calculate or maintain detailed cost for different specifications or types.**

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. CSC's cost accounting system is an integral part of its financial accounting system, and the methods for cost and financial accounting purposes are the same.**

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.

**Not applicable. CSC did not engage in any relevant start-up operations relating to hot-rolled products.**

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

**Not applicable.**

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### 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 each model/type (identified in Section C) of the like goods sold on the domestic market.

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

**Please see Confidential Exhibit G-3.a for the quarterly unit cost of each product model in domestic sales.**

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.

**CSC calculates production costs monthly. However, as stated above, CSC does not in its ordinary course of business maintain production costs at a model-specific level. In order to report model-specific unit costs, CSC has relied on its Standard Product Cost ("SPC") system. This is the only mechanism existing in CSC's management accounting system to enable CSC to report the costs of raw materials, labour and factory overheads for different models of the goods.**

**The SPC system is not used for CSC's ordinary cost accounting practices or calculation (which is based on actual costs and tracked by the processing cost method). Rather, it is used primarily for the purpose of facilitating the evaluation of production efficiency and pricing decisions. The SPC is updated regularly in accordance with the actual production experiences of a preceding period and truthfully reflects the product ingredients and production conditions of each product specification.**

**The SPC cost begins with the standard input quantity and cost of hot metal, scraps, and other sub-materials consumed at the liquid steel stage, and adds the variable and fixed processing costs for each specification at each production stage.**

<sup>2</sup> 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.



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To report the model-specific costs in this EQ response, CSC relied on the actual aggregate cost of manufacture of each cost centre in the financial records, and allocated such aggregate cost to each model produced in the same cost centre based on the unit SPC of each model. As such, the model-specific costs reported in this response, taken as a whole, will reconcile with the aggregate cost of the cost centre in the financial records.

The foregoing calculation is done per each quarter and, as a result, CSC reported quarterly unit cost of each model in the cost files.

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.

### **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 each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for each quarter over the 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.

*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 Confidential Exhibit G-4 for CSC's Australian CTMS spread sheet.**

### **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.

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**The goods sold in the domestic market and those sold to Australia have identical costs to make (material, labour and manufacturing overheads).**

**As for selling costs, a worksheet for calculating the ratio of SGA and other expenses is provided in Confidential Exhibit G-5.**

- 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.

**Please see the response to G-3.1 above.**

**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.

**Please see the response to G-3.1 above.**

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

For these major inputs:

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

Where the major input is produced by an associate of your company 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.

**The primary raw materials for the GUC are coal and iron.**

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**Please see Confidential Exhibit G-8 for purchase summary of coal and iron, in which CSC identifies the suppliers; the relationship of the supplier with CSC; and the quarterly volume and value.**

**CSC recorded the actual purchase value of coal and iron as the raw material cost, including all concerned expenses.**

**As shown in Confidential Exhibit G-8, all suppliers unrelated to CSC, thus purchases prices are all direct reflections of normal market price.**

- 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 Confidential Exhibit G-9 for CSC's Raw Material Purchases spread sheet.**

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**SECTION H – EXPORTER/PRODUCER'S DECLARATION**

I hereby declare that China Steel Corporation 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.

Name : Y.C. Han

Signature : Y.C. Han

Position in Company : General Manager of Marketing Administration Department,  
Commercial Division

Date : Apr. 1, 2013

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**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	V
Section B – export price	V
Section C – like goods	V
Section D – domestic price	V
Section E – fair comparison	V
Section F – exports to third countries	V
Section G – costing information	V
Section H - declaration	V

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	V
RAW MATERIAL PURCHASES – purchase cost of raw materials during the investigation period	V
INCOME STATEMENT	V
TURNOVER – sales summary	V
AUSTRALIAN SALES – list of sales to Australia	V
DOMESTIC SALES – list of all domestic sales of like goods	V
THIRD COUNTRY – third country sales	V
PRODUCTION – production figures	V
DOMESTIC COST TO MAKE & SELL – costs of goods sold domestically	V
AUSTRALIAN COST TO MAKE & SELL – costs of goods sold to Australia	V