



## Exporter Questionnaire

**Case number:** 521

**Product:** Zinc Coated (Galvanised) Steel

**From:** The Republic of Korea;  
Malaysia;  
Taiwan; and  
The Socialist Republic of Vietnam

**Review period:** 1 July 2018 to 30 June 2019 (the period)

### Response

**due by:** 30 September 2019 (extended to October 14, 2019)

### Case

**manager:** Heidi Yang

**Phone:** +61 3 9268 7969

**Return completed questionnaire to:**  
[investigations1@adcommission.gov.au](mailto:investigations1@adcommission.gov.au)

**Anti-Dumping Commission website:**  
[www.adcommission.gov.au](http://www.adcommission.gov.au)

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## INSTRUCTIONS

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

The Anti-Dumping Commission (the Commission) is conducting a review of measures applying to zinc coated (galvanised) steel exported to Australia from the People's Republic of China (China), the Republic of India (India), the Republic of Korea (Korea), Malaysia, Taiwan, and the Socialist Republic of Vietnam (Vietnam). This questionnaire is only for exporters from Korea, Malaysia, Taiwan or Vietnam. Another exporter questionnaire is available for exporters from China or India.

The Commission will use the information you provide to determine normal values and export prices over the review period 1 July 2018 to 30 June 2019 (the period). This information will determine whether zinc coated (galvanised) steel is dumped.

### If you do not manufacture the goods

If you play a role in the export of the goods but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this questionnaire to the relevant manufacturers and inform the case manager of the contact details for these manufacturers **immediately**.

The Commission will still require your company to complete this exporter questionnaire except Section G – Cost to make and sell.

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

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem your company to be an uncooperative exporter. In that case the Commission must determine a dumping margin and a subsidy margin having regard to all relevant information.

Therefore, it is in your interest to provide a complete and accurate response to this exporter questionnaire, capable of verification.

### Extension requests

## PUBLIC VERSION

If you require a longer period to complete your response to this exporter questionnaire, you must submit a request to the case manager, in writing, for an extension to the due date for all or part of the questionnaire. This request must be made prior to the due date. A request for extension will be rejected if received after the due date.

When considering the extension request, the Commission will have regard to:

- the Commission's responsibility to conduct the case in a timely and efficient manner;
- the reasons why you could not provide a response within the whole period and not only the period remaining between the request and the due date;
- ordinary business practices or commercial principles;
- the Commission's understanding of the relevant industry;
- previous correspondence and previous dealings with your company; and
- information provided by other interested parties.

More information on extensions can be found in the Customs (Extension of Time and Non-cooperation) Direction 2015 at <https://www.legislation.gov.au/Details/F2015L01736>.

You will be informed of the decision whether your request for an extension has been rejected, granted in full or granted in part. For example, you may be granted an extension to submit all sections except for Section A or you may be granted a shorter extension than you requested.

A summary of any requests and grants of extensions to submit a response to this exporter questionnaire will be published in the public record.

### **Submitting a response to the exporter questionnaire**

Responses to the exporter questionnaire should be lodged by email listed on the cover page. In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

If your response to this exporter questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then your company may be deemed as an uncooperative exporter.

### **Confidential and non-confidential responses**

## **PUBLIC VERSION**

You are required to lodge a confidential version (for official use only) and a non-confidential version (for public record) of your response to this exporter questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”.

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

A person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

All submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. An example of a statement to accompany deleted/blacked out text is:

[Explanation of cost allocation through the divisions, by reference to machine hours or weight].

If such an explanation is not provided, the Commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be deemed to have significantly impeded the case and be deemed an uncooperative exporter.

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

The Commission may wish to conduct a visit to your company to verify your questionnaire response for completeness, relevance and accuracy of the information to your company's records.

The verification visit is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be relevant, complete and accurate.

Any verification visit typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with planning of a verification visit, please contact the case manager as soon as possible for a potential verification date to be scheduled.

## **PUBLIC VERSION**

Verification is usually conducted over 4 days. However, in complex cases, a verification visit may be scheduled over 5 days. A verification visit will include a detailed examination of your company's records and we will collect copies of relevant documents. The verification will require the participation of key staff, including your financial accountant, production manager and sales staff. A tour of the manufacturing facility may also be required during the verification visit.

Note that the Commission may disregard any data or information that is not verified, including new or additional information provided after the verification visit.

A report will be prepared following the verification visit, which details the outcomes of the visit. This report will be placed on the public record and may include the publication of the preliminarily-assessed dumping margin and subsidy margin. The Commission considers that the dumping margin and subsidy margin is not confidential information, but rather an aggregate figure derived from confidential data.

You will be provided with an opportunity to comment on the accuracy and confidentiality of the verification report prior to its publication on the public record.

The Commission may elect to undertake an alternative verification methodology than an on-site verification to satisfy itself of the completeness, relevance and accuracy of the data.

For information on the Commission's verification procedures, refer to Anti-Dumping Notice No. 2016/30 available on the Commission's website.

### **Important instructions for preparing your response**

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.
- Clearly identify all units of measurement (e.g. KG) and currencies (e.g. AUD) used. Apply the same measurement consistently throughout your response to the questionnaire.

## **PUBLIC VERSION**

- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-4.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the Commission's verification of your data.
- If you cannot present electronic data in the requested format contact the case officer as soon as possible.
- Where possible, electronic data should be emailed or shared with the Commission via SIGBOX, a secure online document repository. Please contact the case manager to request access to SIGBOX if required.

## CHECKLIST

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

<b>Section</b>	Please tick if you have responded to all questions
Section A Company information	<input checked="" type="checkbox"/>
Section B Export sales to Australia	<input checked="" type="checkbox"/>
Section C Exported goods & like goods	<input checked="" type="checkbox"/>
Section D Domestic sales	<input checked="" type="checkbox"/>
Section E Due allowance	<input checked="" type="checkbox"/>
Section F Third country sales	<input checked="" type="checkbox"/>
Section G Cost to make and sell	<input checked="" type="checkbox"/>
Exporter's declaration	<input checked="" type="checkbox"/>
Non-confidential version of this response	<input checked="" type="checkbox"/>

<b>Attachments</b>	Please tick if you have provided spreadsheet
B-2 Australian sales	<input checked="" type="checkbox"/>
B-4 Upwards sales	<input checked="" type="checkbox"/>
B-5 Upwards selling expenses	<input checked="" type="checkbox"/>
D-2 Domestic sales	<input checked="" type="checkbox"/>
F-2 Third country sales	<input checked="" type="checkbox"/>
G-3 Domestic CTM	<input checked="" type="checkbox"/>
G-4.1 SG&A listing	<input checked="" type="checkbox"/>
G-4.2 Dom SG&A calculation	<input checked="" type="checkbox"/>
G-5 Australian CTM	<input checked="" type="checkbox"/>
G-7.2 Raw material CTM	<input checked="" type="checkbox"/>
G-7.4 Raw material purchases	<input checked="" type="checkbox"/>
G-8 Upwards costs	<input checked="" type="checkbox"/>
G-9 Capacity Utilisation	<input checked="" type="checkbox"/>

## GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

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

### Full description of the goods the subject of the application

In relation to **China, Korea and Taiwan**, the goods description is:

Flat rolled products of iron and non-alloy steel of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc

and

Flat rolled iron or steel products containing alloys of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc exported from:

- China by Angang Steel Co., Ltd or Benxi Iron and Steel (Group) International Economic & Trading Co.; or
- Taiwan by Yieh Phui Enterprise Co., Ltd

and

In relation to **India, Malaysia and Vietnam**, the goods description is:

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

Galvanised steel of any width is included.

### Further information

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

The Commission understands from previous inquiries that trade and other names often used to describe galvanised steel include:

- “GALVABOND®” steel;
- “ZINCFORM®” steel;
- “GALVASPAN®” steel;
- “ZINCHITEN®” steel;
- “ZINCANNEAL” steel;
- “ZINCSEAL” steel;
- Galv;
- GI;
- Hot Dip Zinc coated steel;
- Hot Dip Zinc/iron alloy coated steel; and
- Galvanneal.

The goods description includes galvanised steel whether or not including any (combination of) surface treatment, for instance; whether passivated or not passivated, (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).

Painted galvanised steel, pre-painted galvanised steel, electro-galvanised plate steel and corrugated galvanised steel are not subject to the measures.

### Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 of the *Customs Tariff Act 1995*:

- 7210.49.00 statistical code 55, 56, 57 and 58;
- 7212.30.00 statistical code 61;
- 7225.92.00\* statistical code 38\*
- 7226.99.00\* statistical code 71\*

\*These tariff subheadings only apply: (1) All exporters from India, Malaysia and Vietnam, (2) Angang Steel Co. Ltd (China); (3) Benxi Iron and Steel (Group) International Economic and Trading Co. (China); and (4) Yieh Phui Enterprise Co. Ltd (Taiwan).

**Model Control Code**

Details of the model control code (MCC) structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 & G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the Commission.

Item	Category	Sub-Category	Identifier	Sales Data	Cost Data	Key category
1	Alloy content	Alloy	A	Mandatory	Not applicable	YES
		Non-alloy	NA			
2	Prime	Prime	P	Mandatory	Not applicable	YES
		Non – Prime	N			
3	Steel Base	Hot Rolled	H	Mandatory	Mandatory	YES
		Cold Rolled	C			
4	Coating Type	Zinc Coated (Z)	Z	Mandatory	Mandatory	YES
		Zinc / Iron Alloy Coating (ZF / F)	F			
5	Coating Mass	<= 100 g/m2	1	Mandatory	Mandatory	YES
		>100 g/m2 to <= 220 g/m2	2			
		> 220 g/m2 to <= 300g/m2	3			
		>Z300 g/m2 to <= 400 g/m2	4			
		>400 g/m2	5			
6	Steel Grade	G2 / SGCC / SGHC	A	Mandatory	Mandatory	YES
		G3 / SGCD	B			
		G250 / SGC 340 / SGHC 340 / SGC 340 / SGHC 340	C			
		G300 / G350 / SGC 400 / SGHC 400 / SGC 440 / SGCH 440 / SGC 490 / SGHC 490	D			
		G450 / G500	E			
		G550 / SGC 570	F			
		Other	G			
7	Base Metal	< 0.40 mm	1	Mandatory	Mandatory	YES
		=> 0.40 mm to < 0.50 mm	2			

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Item	Category	Sub-Category	Identifier	Sales Data	Cost Data	Key category
	Thickness	=> 0.50 mm to < 0.75 mm	3			
		=> 0.75 mm to < 1.00 mm	4			
		=> 1.00 mm to < 1.50 mm	5			
		=> 1.50 mm to < 2.00 mm	6			
		=> 2.00 mm to <2.50 mm	7			
		=> 2.50 mm	8			
8	Width	< 600 mm	A	Mandatory	Optional	No
		=> 600 mm to <= 1220mm	B			
		> 1220mm	C			
9	Form	Coil	C	Mandatory	Optional	No
		Sheet	S			

In constructing a MCC, use a "-" between each category. For example: **A-P-C.....**

The MCCs will be used to model match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade test by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the Commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be deemed deficient.

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: *Mr. Jaren Cheng*

Position in the company: *Manager, Commercial Administration Department*

Address: *317, Yu Liao Road, Chiao Tou District Kaohsiung City 825, Taiwan.*

Telephone: *886-7-6117171 Ext. 3531*

E-mail address of contact person: *ch26223@chsteel.com.tw*

2. If you have appointed a representative, provide the their contact details:

Name: *Mr. John Bracic*

Address: *J.Bracic & Associates, PO Box 3026 Manuka, ACT 2603*

Telephone: *+61 499 056 729*

E-mail address of contact person: *[john@jbracic.com.au](mailto:john@jbracic.com.au)*

*In nominating a representative, you are granting authority to the Commission to discuss matters relating to the case with the nominated representative, including your company's confidential information.*

3. Please provide the location of the where the company's financial records are held.  
*The accounting records are kept at No. 317, Yu Liao Road, Chiao Tou District, Kaohsiung City 825, Taiwan.*
4. Please provide the location of the where the company's production records are held.  
*The production records are kept at No. 317, Yu Liao Road, Chiao Tou District, Kaohsiung City 825, Taiwan.*

## A-2 Company information

1. What is the legal name of your business?  
*Chung Hung Steel Corporation ("CHS").*
2. Does your company trade under a different name and/or brand? If yes, provide details.  
*CHS has no other business names.*
3. Was your company ever known by a different legal and/or trading name? If yes, provide details  
*CHS has no other business names.*
4. Provide a list of your current board of directors and any changes in the last two years.  
*Please see **Exhibit A-2.4** for lists of board of directors for the period during (1) July 1<sup>st</sup>, 2017 through June 30, 2018 and (2) during July 1<sup>st</sup>, 2018 through June 30, 2019.*
5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:
  - (a) A diagram showing the complete ownership structure; and
  - (b) A list of all related companies and its functions*CHS is a subsidiary of China Steel Corporation ("CSC"). Please see **Exhibit A-2.5** for a diagram of CSC ownership structure and a list of these related companies with their functions.*
6. Is your company or parent company publicly listed?  
If yes, please provide:
  - (a) The stock exchange where it is listed; and
  - (b) Any principle shareholders<sup>1</sup>  
If no, please provide:
  - (a) A list of all principal shareholders and the shareholding percentages.*Both CHS and CSC (CHS's parent company) are publicly traded companies listed in the Taiwan Stock Exchange. As such, the holding of each shareholder may vary by trading in the stock market.*  
*Please see **Exhibit A-2.6** for the 10 largest shareholders of CHS and CSC as of June 30, 2019.*
7. What is the overall nature of your company's business? Include details of the products that your company manufacture and sell and the market your company sells into.

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<sup>1</sup> Principal shareholders are those who are 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.

**PUBLIC VERSION**

*CHS was established in 1983 as a manufacturer of steel products. In 1987, the cold rolling mill and pipe mill were constructed and started production. The hot rolling mill was constructed in 1995 and started production in 1997. Pickling and Galvanizing mill was established in 1997 by Hung Li Steel Corporation and merged into CHS on June 1<sup>st</sup> 2018.*

*CHS's main products include Hot Rolled Coil, Cold Rolled Coil, Pickled/Oiled Coil, Galvanized Coil, Black Pipe, Rectangular Pipe, Galvanized Pipe, API Pipe, PE Coated Pipe, etc.*

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

- (a) produce or manufacture;
- (b) sell in the domestic market;
- (c) export to Australia; and
- (d) export to countries other than Australia.

*CHS produces and sells the goods in domestic market and overseas, including Australia.*

9. Provide your company's internal organisation chart.

*A chart depicting CHS's internal organisation and operating structure is provided in **Exhibit A-2.9**.*

10. Describe the functions performed by each group within the organisation.

*CHS is organized into 3 divisions and 13 departments, which are structured basing on functions. Please refer to **Exhibit A-2.9** for the Internal Organization Chart.*

*Below are descriptions of the departments involving in the sales or production of GUC:*

*(1) Marketing Department is the unit involving in sales of the GUC.*

*(2) Hot Rolling and Cold Rolling Departments are the production units involving in producing the upstream inputs of GUC.*

*(3) Pickling and Galvanizing Department is in charge of production of Pickled products and Galvanized products (GUC).*

*[Pickling processes].*

11. Does your company produce brochures, pamphlets or other promotional material? If yes, please provide them.

*Please refer to **Exhibit A-2.11** for CHS's Product Catalogue of hot rolled, cold rolled and galvanised products.*

### **A-3 General accounting information**

1. What is your financial accounting period?

*CHS' financial accounting period is calendar year (from January 1st to December 31st).*

**PUBLIC VERSION**

2. Are your financial accounts audited? If yes, who is the auditor?

*All CHS' financial accounts are audited by Deloitte & Touche.*

3. What currency are your accounts kept in?

*CHS' accounts are kept in New Taiwan Dollar (TWD).*

4. What is the name of your financial accounting system?

*CHS uses a self-developed Enterprise Resource Planning ("ERP") system, and the modules under CHS's financial accounting system include the followings:*

[REDACTED]

5.

[REDACTED]

6. What is the name of your sales system?

*The modules under CHS's sales system includes the followings:*

[REDACTED]

7. What is the name of your production system?

*The modules under CHS's production system include the following:*

[REDACTED]

8. If your financial accounting, sales and production systems are different, how do the systems interact? Is it electronically or manual? Please provide a detailed explanation and include diagrams.

*The diagram showing the interaction between different systems is provided in Exhibit A-3.7. It runs electronically.*

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

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

**PUBLIC VERSION**

*According to the requirement of Financial Supervisory Commission Taiwan, starting from 2013, standards of GAAP in Taiwan is amended to require practices to be in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and interpretations by IFRS Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) (collectively, the IFRSs).*

10. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.

*There was no change in accounting methods over the last two financial years.*

#### **A-4 Financial Documents**

1. Please provide the two most recently completed annual reports and/or financial statements for your company and any other related companies involved in the production and sale of the goods.

*Please refer to*

***Exhibit A-4.1.a:*** *CHS's audited financial statements for 2018 and 2017.*

***Exhibit A-4.1.b:*** *CSC's audited financial statements for 2018 and 2017. (CHS purchased raw materials used to produce the GUC from CSC.)*

***Exhibit A-4.1.c:*** *CSGT's audited financial statements for 2018 and 2017. (A small amount of raw materials used to produce the GUC were purchased from CSGT. In addition, for export sales, CSGT helps CHS to locate customers, confirm orders, key-in orders and check shipments for export sales. Therefore, CHS pays CSGT service fee for the services provided.)*

2. If the financial statements in A-4.1 are unaudited, provide for each company:
- (a) the tax returns relating to the same period; and
  - (b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

*Not applicable, as the financial statements provided in A-4.1 are audited.*

3. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods falls into for:
- (a) the most recent financial year; and
  - (b) the period.

*CHS does not maintain different profit centers, so CHS does not have divisional, factory/facility or product-specific profit & loss statements. The income statements is related to the company as a whole.*

4. If the period is different to your financial period, please provide:
- (a) Income statements directly from your accounting information system covering the most recent financial period and the period; or
  - (b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

*Please see **Exhibit A-4.4** for CHS's Income Statement for 2018 and POR.*

5. Please provide a copy of your company's trial balance (in Excel) covering the period and the most recent financial year.

*Please see **Exhibit A-4.5** for CHS's trial balance for June 2018, December 2018 and June 2019.*

**PUBLIC VERSION**

6. Please provide your company's chart of accounts (in Excel).

*Please see **Exhibit A-4.6** for CHS' Chart of Accounts.*

*If any of the documents are not in English, please provide a complete translation of the documents.*

## SECTION B EXPORT SALES TO AUSTRALIA

### NOTE

If your company exported low or no volumes of the goods to Australia during the review period, please contact the case manager as soon as possible. You may be required to complete this section (and G-5) as it relates to export sales to a country other than Australia. You may also be asked other supplementary questions. Extensions will not be granted as a result of delays in contacting the case manager in this regard.

### B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and any entities (e.g. agents) including:
  - (a) Marketing and advertising activities
  - (b) Price determination and/or negotiation process
  - (c) Order placement process
  - (d) Order fulfilment process and lead time
  - (e) Delivery terms and process
  - (f) Invoicing process
  - (g) Payment terms and process

*For sales to Australia, customers would send their inquiries for price quotation by email. After completing the price negotiation with the customer, a sales contract will be sent to the customer for confirmation of the quantities, prices and delivery schedule for the ordered products. The goods will be shipped to the customers along with commercial invoice and other shipping documents. Please see **Exhibit B-1.1** for a flowchart of sales process for export sales to Australia.*

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:
  - (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;
  - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;
  - (c) How is the exchange rate determined in your accounting system and how often is it updated?

*CHS invoices its Australian customers in USD and the customers pay in USD*

*CHS does not use forward contracts.*

*The exchange rate in CHS's accounting system is determined based on the closing price of currency exchange issued by Bank of Taiwan and it is updated daily.*

**PUBLIC VERSION**

3. Are there any customers of the goods exported to Australia related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

*CHS is not related to any of its Australian customers.*

4. If sales are in accordance with price lists or price extras list, provide copies of these lists.

[REDACTED]. Please see *Exhibit B-1.4* for [REDACTED].  
[REDACTED]. **[Confidential pricing policies]**

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

*There was only one customer and channel for export sales to Australia during the POR. The customer is the end-user.*

6. Did you provide on-invoice discounts and/or off-invoice rebates to any customer or an associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount.

*No discounts, rebates or allowances were offered by CHS on export sales to Australia during the POR.*

7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

*CHS did not issue any credit notes to the customers in Australia during POR.*

8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

(b) Why does this date best reflect the material terms of sale?

*The date of sale for Australian sales is reported as the invoice date as instructed.*

## **B-2 Australian sales listing**

1. Complete the worksheet named "B-2 Australian sales"
- This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
  - This worksheet must also include exports of the goods that have been exempted from anti-dumping duties under 8(7) and section 10(8) of the Customs Tariff (Anti-Dumping) Act 1975.

**PUBLIC VERSION**

- If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, 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.

*Please refer to **Exhibit B-2 Australian sales**. During the POR, all Australian sales were sold directly by CHS, and there were no sales through domestic traders.*

2. Provide a table listing the source of the data for each column in the “B-2 Australian sales” listing.

*Please see tab B-2.2 in **Exhibit B-2**.*

### **B-3 Sample export documents**

1. Select the two largest invoices by value and provide the following documentation:

- Contracts
- Purchase order and order confirmation
- Commercial invoice and packing list
- Proof of payment and accounts receivable ledger
- Documents showing bank charges
- Invoices for inland transport
- Invoices for port handling and other export charges
- Bill of lading
- Invoices for ocean freight & marine insurance (if applicable)
- Country of origin certificates (if applicable)

*Please see **Exhibits B-3.1.a and B-3.1.b** for documentation in relation to the following two largest invoices by invoice value to Australia:*

*• Invoice number: [REDACTED]; and*

*• Invoice number: [REDACTED].*

*If the documents are not in English, please provide a translation of the documents.*

2. For each document, please annotate the documents or provide a table reconciling the details in the “B-2 Australian sales” listing to the source documents in B-3.1.

**PUBLIC VERSION**

*Annotations are provided as instructed in Exhibits B-3.1-a and B-3.1-b.*

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the “B-4 Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

*Please refer to **Exhibit B-4 Upwards sales** for demonstration of the completeness of sales listings in B-2, D-2 and F-2.*

**B-5 Reconciliation of direct selling expenses to financial accounts**

1. Please complete the worksheet named “B-5 Upwards selling expense” to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-5 Upwards selling expense” worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the “B-5 Upwards selling expense” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column C of the worksheet; and
  - highlight or annotate the amount shown in the source document.

*Please refer to **Exhibit B-5 Upwards selling expense** for demonstration of the completeness of direct selling expenses in B-2 and D-2.*

## SECTION C EXPORTED GOODS & LIKE GOODS

The Commission considers the MCC structure in and of itself is not likely to be commercially sensitive information. Any claim that disclosing the MCC information is confidential or would adversely affect your business or commercial interests must be raised by lodging a submission as soon as practicable, but no later than the time this questionnaire is due.

### C-1 Models exported to Australia

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

*During the POR, the specifications of the goods CHS exported to Australia are listed in the following table:*

<i>Product Code</i>	<i>Specification</i>
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

*Please refer to Exhibits B-3.1-.a and B-3.1-b for 2 sample mill certificates. A list of the above 3 specifications' physical properties and sizes CHS manufactures is provided in Exhibit C-1.1.*

2. Provide a list of MCCs of the goods exported to Australia. This must cover all MCCs listed in the Australian sales listing in B-2.
  - This list must be disclosed in the public record version of the response.

*The list of MCCs listed in the Australian sales listing in B-2 is provided in Exhibit C-1.2.*

### C-2 Models sold in the domestic market

1. Fully describe all like goods your company sold on the domestic market during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the like goods sold on the domestic market.

*During the POR, the specifications of the like goods CHS sold in domestic market are listed in Exhibit C-2.1.*

*Please refer to Exhibits D-3.1-a and D-3.1-b for 2 sample mill certificates, and page 15 of Product Catalogue as provided in Exhibit A-2.11 for specifications in detail.*

2. Provide a list of MCCs of like goods sold on the domestic market. This must cover all MCCs listed in the domestic sales listing in D-2.
  - This list must be disclosed in the public record version of the response.

*The list of MCCs listed in the domestic sales listing in D-2 is provided in **Exhibit C-2.2**.*

### **C-3 Internal product codes**

1. Does your company use product codes or stock keeping unit (SKU) codes?

If yes:

- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- (c) Provide a table of showing the product or SKU codes for each MCC.

If no:

- (d) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

*Please see **Exhibit C-3.1** for coding rule for CHS's product code.*

*CHS' product codes point only to whether the products' base steels are hot-rolled or cold-rolled and their specifications; thus MCC was not able to be identified merely through product codes. CHS uses the information carried in each sales order to code the MCC.*

*Identification for each section of the MCC is as follows:*

- a. *Alloy or non-alloy:* [REDACTED]
- b. *Prime or non-prime:* [REDACTED]
- c. *Steel Base:* [REDACTED]
- d. *Zinc Coating:* [REDACTED]
- e. *Coating Mass:* [REDACTED]

f. Steel Grade: [REDACTED]  
[REDACTED]:

<i>CHS Specification</i>	<i>Specification in the MCC Coding Rule</i>
[REDACTED]	[REDACTED]

g. Base Metal Thickness: [REDACTED]  
[REDACTED]:

h. Width: [REDACTED]:

i. Form: [REDACTED]:

***[Confidential source evidence in compiling MCC identifiers]***

## SECTION D DOMESTIC SALES

### D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:
  - (a) Marketing and advertising activities
  - (b) Price determination and/or negotiation process
  - (c) Order placement process
  - (d) Order fulfilment process and lead time
  - (e) Delivery terms and process
  - (f) Invoicing process
  - (g) Payment terms and process

*Please see Exhibit D-1.1 for the flowchart of domestic sales process.*

*Customers would place the order via email or telephone.*

*Once ordered, CHS enters the quantity/specifications for the customer into its system.*

*Once the product is ready for delivery, CHS would notify the customers to make payments and a delivery sheet will be issued for shipment record. Upon shipment, CHS would issue Government Uniform Invoice ("GUI") to customers.*

*Selling price includes freight expenses if customers ask CHS to deliver the goods.*

2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

*CHS is not related to any of its domestic customers.*
3. If sales are in accordance with price lists or price extras list, provide copies of these lists.

[REDACTED]

*Please see Exhibit D-1.3 for [REDACTED]. [Confidential pricing policies]*

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

*No, CHS' prices do not vary by channels of distribution. CHS' prices are set via negotiation with customers individually. In principle, CHS charges a lower price for a larger purchase quantity of the goods in the domestic market during the POR.*

5. Did you provide on-invoice discounts and/or off-invoice rebates to the customer or an associate of the customer in relation to the sale of the like goods during the period? If yes, provide a description; and explain the terms and conditions that must be met by the importer to obtain the discount.

*CHS usually grants the following type of rebate to all domestic market customers; please see Exhibit D-1.5 for a list of rebates:*

(1) [REDACTED]; (2) [REDACTED]; (3) [REDACTED]; and (4) [REDACTED].

(1) [REDACTED]  
[REDACTED].

(2) [REDACTED]  
[REDACTED].

(3) [REDACTED]  
[REDACTED].

(4) [REDACTED]  
[REDACTED].

[REDACTED].

*CHS reported the above (1)-(3) in Column 13 "[REDACTED]" in Exhibit D-2, and (4) in Column 19 "[REDACTED]."*

**[Confidential pricing policies and terms and circumstances of sales]**

6. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

*Please see CHS's reply above in D-1.5. When these rebates occurred, CHS issued credit notes to the concerned domestic customers.*

7. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?
- (b) Why does this date best reflects the material terms of sale?

*The date of sale for Domestic sales is reported as the invoice date as instructed.*

## **D-2 Domestic sales listing**

1. Complete the worksheet named “D-2 Domestic sales”
  - This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia
  - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - 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-2 above, add a column for each item. For example, certain other selling expenses incurred.

*Please refer to **Exhibit D-2 Domestic sales**.*

2. Provide a table listing the source of the data for each column in the “D-2 domestic sales” listing.

*Please see tab D-2.2 in **Exhibit D-2**.*

## **D-3 Sample domestic sales documents**

1. Select the two largest invoices by value and provide the following documentation:
  - Contracts
  - Purchase order and order confirmation
  - Commercial invoice and packing list
  - Proof of payment and accounts receivable ledger
  - Documents showing bank charges
  - Delivery invoices

*Please see Exhibits **D-3.1.a** and **D-3.1.b** for domestic sales documentation in relation to these two sales:*

- *invoice number* [REDACTED]; and
- *invoice number* [REDACTED].

*If the documents are not in English, please provide a translation of the documents.*

**PUBLIC VERSION**

2. For each document, please annotate the documents or provide a table reconciling the details in the “D-2 Domestic sales” listing to the source documents in D-3.1.

*Annotations are provided as instructed in Exhibits **D-3.1.a** and **D-3.1.b**.*

#### **D-4 Reconciliation of sales to financial accounts**

This section is not required if you have completed B-4.

*CHS has provided all information in Exhibit B-4.*

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, D-2 and F-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the “B-4 Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

## SECTION E DUE ALLOWANCE

### E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:

(a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:

i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).

ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover

*CHS does not provide rolling credit facility to its domestic customers.*

*The payment terms for domestic sales include [REDACTED] [terms of sale].*

(b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?

*Please see Exhibit E-1.1 for CHS's monthly interest rate on TWD short-term borrowings during the POR and the POR average rate.*

*The payment terms for domestic sales include [REDACTED]*

*Credit Cost = the average short-term borrowings interest rates x average credit period ([REDACTED]) x invoice value ÷ 365 days.*

*[REDACTED] has been reported in Column 23 "Credit Cost" in Exhibit D-2.*

**[Confidential credit terms of sale]**

(c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?

*CHS does not provide term deposits or any cash products.*

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:

**PUBLIC VERSION**

- (a) Do you provide a rolling credit facility to your Australian customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
- i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
  - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover

*Payment term for all Australian sales is [REDACTED]*

- (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
- i. Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
  - ii. What is the interest rate, or average of interest rates, applying to term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

*CHS does not provide short term borrowing, overdraft facility, term deposit or any other cash products to its Australian customers.*

## **E-2 Packaging**

1. What is the packaging used for your domestic sales of like goods?  
*Standard packaging for domestic sales is with steel straps.*
2. What is the packaging used for your export sales of the goods to Australia?  
*Standard packaging for export sales are VCI Paper, Metal Corner Protector, Steel Strap and Metal Protector.*
3. If there are distinct differences in packaging between your domestic and export sales:
  - (a) Provide details of the differences
  - (b) Calculate the weighted average packaging cost for each model sold on the domestic market
  - (c) Calculate the weighted average packaging cost for each model exported to Australia

*Packing costs are recorded in factory overheads. The packing cost is [REDACTED] TWD/MT reported in **Exhibit B-2** Australian Sales and [REDACTED] TWD/MT reported in **Exhibit D-2** Domestic Sales, based on CHS' internal policy.*

## **E-3 Delivery**

1. Are any domestic sales of like goods delivered to the customer? If yes, how were the transportation costs calculated in the domestic sales listing in D-2?  
*CHS reports inland transportation costs on an actual basis. Inland freight expenses incurs when the delivery term is "Delivered" as reported in Exhibit D-2 where CHS is obligated to transport ordered items from its factories to the*

**PUBLIC VERSION**

*customers. The inland freight charges are determined basing on the distance to the destination and weight of the shipment. CHS hires outside carriers to transport the subject merchandise; it does not use its own vehicles.*

2. What are the delivery terms of the export sales of the goods to Australia?

*Delivery term for all Australian sales is [REDACTED]; FOB price in Column 21 of Exhibit B-2 is reported by adding the loading charges on.*

3. If the delivery terms of the Australian sales includes delivery to the port, how were the inland transport and port charges calculated in the Australian sales listing in B-2?

*As the delivery term for Australian sales is [REDACTED]. Inland freight for such transportation is reported on an actual basis and it was also determined by weight and distance of the shipment. Transportation to the port is also done by outside carriers.*

4. If the delivery terms of the Australian sales includes ocean freight, how was the ocean freight cost calculated in the Australian sales listing in B-2?

[REDACTED]

5. If the delivery terms of the Australian sales includes marine insurance, how was the marine insurance calculated in the Australian sales listing in B-2?

[REDACTED]

6. If the delivery terms of the Australian sales includes delivered duty paid, how were the Australian importation and delivery costs calculated in the Australian sales listing in B-2?

*Duty is not paid by CHS as delivery term is [REDACTED].*

**E-4 Other direct selling expenses**

1. Do you provide sales commissions for domestic sales of like goods and/or export sales of the goods? If yes, provide details.

*There is no commission for domestic sales.*

*For export sales to Australia, [REDACTED]*

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:

- What is the rate of value-added tax (VAT) on sales of the goods and like goods?
- How is VAT accounted for in your records in relation to sales of the goods and like goods?
- Do you receive a VAT refund in relation to sales of the goods and/or like goods?
- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

*The value-added sales tax for domestic sales is five percent (5%), and 0% for export sales. According to Taiwan's VAT law and practice, VAT is not a cost to production because all tax collected from domestic sales ("output VAT") and all tax payable to purchases ("input VAT") in respect of production inputs and materials purchased) are first offset against each other, and the balance is either payable to tax authority or refundable therefrom.*

*There were no tax exemptions or drawbacks applied during the POR.*

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?
  - These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

*All direct selling expenses incurred in relation to domestic sales are reported in **Exhibit D-2**.*

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?
  - These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

*All direct selling expenses incurred in relation to Australian sales are reported in **Exhibit B-2**.*

## **E-5 Other adjustment claims**

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.
  - An adjustment will only be made where there is evidence that the difference affects price comparability.
  - Refer to Chapter 15 of the Dumping and Subsidy Manual (November 2018) for more information.

## SECTION F THIRD COUNTRY SALES

### F-1 Third country sales process

1. Are your sales processes to any third country (i.e. exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.

*All export sales process is the same, so there were no differences in sales process to third countries from sales process to Australia.*

2. Are there any third country customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

*CHS is not related to any of its third-country customers.*

3. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

(b) Why does this date best reflects the material terms of sale?

*The question is not applicable because CHS does not make such claim.*

### F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
  - This worksheet lists all export sales, summarised by country and customer, to third countries of like goods invoiced within the period.
  - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

*Please see Exhibit F-2.*

2. Provide a table listing the source of the data for each column in the export sales listing (F-2.1).

*Please see tab F-2.2 in Exhibit F-2.*

### F-3 Differences in sales to third countries

1. Are there any differences in sales to third countries which may affect their comparison to export sales to Australia? If yes, provide details.

*There may be a number of differences between CHS's sales to Australia and to other third countries which would affect comparison of them to Australian sales, such as different trade terms.*

## SECTION G COST TO MAKE AND SELL

### G-1. Production process

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

*CHS manufactures the GUC either from hot-rolled coil or from cold rolled coil that is transformed from hot rolled coil. The hot-rolled coils are either produced by CHS itself or purchased from other suppliers. The production process of hot-rolled products is provided at page 8 of Exhibit A-2.11.*

*For galvanizing (zinc coating) process, during the POR, about █% of █ █. Please see pages 8 of Exhibit A-2.11 for Hot Dipped Galvanized Steel Manufacturing Processes and Exhibit G-1.1 for flow chart of Continuous Galvanizing Line (CGL). █ [details of manufacturing operations]*

*With respect to by-products, in the process of producing hot-rolled coils, by-products include █, and in the process producing galvanizing coils, by-products include █.*

2. Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

*CHS uses either self-produced or purchased hot rolled products for production of GUC. For self-produced hot-rolled products, the raw material is slab.*

*During the POR, CHS purchased slabs from █. As for hot-rolled products, CHS purchased hot-rolled steel products from █.*

### G-2. Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?

*CHS' cost accounting system is based on actual costs.*

2. If your company uses standard costs:
  - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?
  - (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
  - (c) How were those variances allocated?

**PUBLIC VERSION**

(d) Provide details of any significant or unusual cost variances that occurred during the period.

*Not applicable. CHS does not adopt standard costs.*

3. Do you have different cost centres in your company's cost accounting system? If yes, list the cost centres, provide a description of each cost centre and the allocation methodology used in your accounting system.

*Please refer to **Exhibit G-2.3** for the list of direct and indirect cost centres directly related to the production of GUC.*

*In CHS's ordinary cost accounting system, costs are tracked and cumulated at cost centres on an aggregate, actual basis and by the processing cost method. In other words, one average cost for the product produced at a given cost centre. When one product is introduced as input to the production of another product, the input cost is the average production cost of the upstream product. Within a product group, CHS does not calculate or maintain detailed cost for different specifications or types.*

*When a direct cost centre is involved with more than one product, its total costs (including its own costs and the costs allocated from indirect cost centres) would be allocated to the different products produced at that cost centre by the output quantity of each product.*

4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?

*CHS does not calculate costs separately for each specific specification or type of the subject goods (or non-subject goods). In ordinary cost accounting records, it maintains production and inventory costs on the basis of product group, such as galvanized coils with hot rolled substrate, galvanized coils with cold rolled substrate.*

5. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.

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

6. Has your company engaged in any start-up operations in relation to the goods? If yes:

(a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

(b) 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. CHS did not engage in any start-up operation in relation to GUC.*

7. What is 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)?

*The cost of inventory is calculated on a weighted average basis.*

8. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?

*Under CHS' cost accounting system, prime and secondary goods share the same cost.*

9. What are the valuation methods for scrap, by products, or joint products?

*Under CHS' accounting system, the scrap recovery for each product is determined by multiplying the standard price of scrap by the quantity of scrap generated. The standard price is set for different types of scrap.*

*CHS does not have joint products.*

10. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details

*No. It is not applicable to CHS, as no management fee/corporate allocation is charged to CHS by related company.*

### **G-3 Cost to make on domestic market**

1. Complete the worksheet named "G-3 Domestic CTM".

- This worksheet lists the quarterly cost to make the domestic models of like goods by MCC manufactured within the period, even if they are models not exported to Australia.
- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

*Please see **Exhibit G-3** for the quarterly cost of MCC for all the goods produced and sold by CHS on all markets.*

2. Provide a table listing the source of the data for each column of the "G-3 Domestic CTM" listing.

*The source data of monthly aggregate cost used to report **Exhibit G-3** is internal ERP report [REDACTED]. As stated above, in CHS' normal cost accounting, CHS does not calculate costs separately for each specific specification or type of the GUC, so CHS manually calculated the cost for each MCC in Exhibit G-3.*

## **G-4 Selling, General & Administration expenses**

1. Complete the worksheet named "G-4.1 SG&A listing".
  - This worksheet lists all selling, general and administration expenses by account code for the most recent accounting period and the period.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

*Please see **Exhibit G-4.1** for SG&A listing.*

2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".
  - This worksheet calculates the unit domestic SG&A for each MCC.
  - You must provide this list in electronic format using the template provided.
  - Please use the formulas provided.

*Please see **Exhibit G-4.2** for Domestic SG&A calculation.*

## **G-5 Cost to make the goods exported to Australia**

1. Complete the worksheet named "G-5 Australian CTM".
  - This worksheet lists the quarterly cost to make the Australian models of the goods under consideration by MCC manufactured within the period.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

*Please see **Exhibit G-5** for the quarterly cost of MCC exported to Australia.*

2. Provide a table listing the source of the data for each column of the "G-5 Australian CTM" listing.

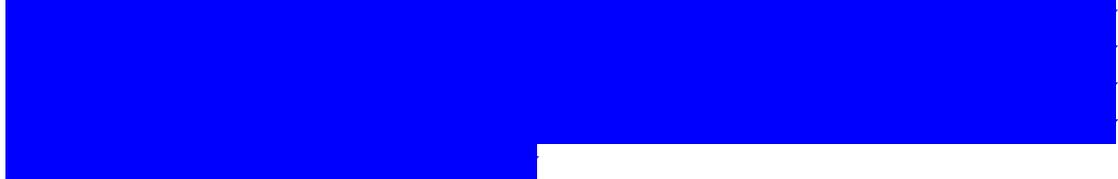
*Please see our above reply in G-3.2.*

## G-6 Cost allocation methodology

1. What is the allocation methodology used to complete in G-3 domestic CTM and G-5 Australian CTM for:
  - (a) Raw materials
  - (b) Labour
  - (c) Manufacturing overheads

### Raw Material

*The material cost for response purposes is prepared as follows:*



### Zinc



### Labor and Overhead



### [Confidential cost accounting practices]

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the allocation methodology described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

*Please refer to **Exhibit G-6.2** for the Selected MCC Cost Illustration.*

## G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?

*CHS used either self-produced or purchased hot rolled products for production of GUC. For self-produced hot-rolled products, the raw material is slab. Please see **Exhibit G-7.1** for a table of the slabs and hot-rolled products used to produce each specification of GUC sold during the POR.*
2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.
  - This worksheet lists the quarterly cost to make the raw material manufactured within the period.

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- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

*Please see **Exhibit G-7.2** Raw material CTM for the self-produced hot-rolled band and hot-rolled coil.*

3. Using the domestic cost data in "G-3 Domestic CTM", calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

*Please see **Exhibit G-7.3** for the ratio of purchased slab and hot-rolled steel representing in GUC with the calculation worksheet.*

4. For each raw material identified in G-7.3 which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"

- This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

*Please see **Exhibit G-7.4** for purchase listing of slab and hot-rolled steel.*

*In **Exhibit G-7.4**,*

**[Details of slab purchases]**

5. Provide a table listing the source of the data for each column of the "G-7.4 Raw material purchases" listing.

*The source data of **Exhibit G-7.4** is internal ERP report*

6. For each raw material:

- (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.
- (b) Reconcile the total value listed in "G-7.4 Raw material purchases" listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

*Please see **Exhibit G-7.6.a** for the sample documents for two largest invoices by value, and **Exhibit G-7.6.b** for the purchase reconciliation.*

7. Are any of the suppliers in "G-7.4 Raw material purchases" listing related to your company? If yes, please provide details on how the price is set.

[Redacted]

[Supplier details of raw material purchases]

## **G-8 Reconciliation of cost to make to audited financial statements**

1. Please complete the worksheet named “G-8 Upwards costs” to demonstrate that the cost listings in G-3 and G-5 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

*Provided in Exhibit G-8 as instructed.*

2. Please provide any documents, other than those in A-4, G-3 and G-5, required to complete the “G-8 Upwards costs” worksheet.

*Provided in Exhibit G-8 as instructed.*

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

*Provided in Exhibit G-8 as instructed.*

## **G-9 Capacity Utilisation**

4. Please complete the worksheet named “Capacity Utilisation”.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

*Provided in Exhibit G-9 as instructed.*

## EXPORTER'S DECLARATION

I hereby declare that Chung Hung Steel Corporation (company) 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 : WEN- CHOU, LI

Signature : 

Position in

Company : Vice-President, Commercial Division

Date : October 7<sup>th</sup>, 2019

## APPENDIX

# GLOSSARY OF TERMS

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

### Adjustments

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

Examples of adjustments that may be made include: *sales occurring at different times*

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

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

### Arms length

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

### Constructed value

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

### Cost of production/manufacturing

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

### Cost to make and sell

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

### **Country of origin**

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

### **Date of sale**

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

### **Direct labour cost**

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

### **Dumping**

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

### **Dumping margin**

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

### **Export price**

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

### **Exporting country**

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

### **Factory overheads**

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

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

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

### **Incoterms**

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

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

### **The period**

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

## **Like goods**

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

## **Normal value**

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

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

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

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

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

## **Ordinary course of trade**

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

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

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient

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number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

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

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

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

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