



Exporter Questionnaire

Case number: 528

Product: Hot Rolled Coil Steel

From: Taiwan

Review period: 1 October 2018 to 30 September 2019

Response due by: 25 November 2019 extended to December 9, 2019

Case manager: [REDACTED]

Phone: (03) 8539 2471

Return completed questionnaire to:
investigations1@adcommission.gov.au

Anti-Dumping Commission website: 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 into hot rolled coil (HRC) HRC exported to Australia from Taiwan.

The Commission will use the information you provide to determine normal values and export prices over the review period (the period). This information will determine whether HRC 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 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

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.

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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

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.

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.

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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. The Commission considers that the dumping 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.
- 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.

Section	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"/>

Attachments	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"/>

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods subject to anti-dumping measures (the goods) are:

Full description of the goods the subject of the application
<p>The goods subject to anti-dumping measures, in the form of a dumping duty notice¹ (the goods), are:</p> <p style="padding-left: 40px;">Hot rolled coil (including in sheet form), a flat rolled product of iron or non-alloy steel, not clad, plated or coated (other than oil coated).</p> <p style="padding-left: 40px;">Goods excluded from this application are hot rolled products that have patterns in relief (known as checker plate) and plate products.</p>
Further information
<p>There are several relevant international standards for hot rolled coil (HRC) covering the range of products based on grade designations, including the recommended or guaranteed properties of each of these product grades. The relevant Australian Standard that applies is AS/NZS 1594.</p> <p>Hot rolled sheet 4.75 millimetres (mm) thick or more is considered to be plate, and is not covered by the notice. Hot rolled sheet below 4.75mm thick is included within the goods description.</p>
Tariff classifications
<p>The goods subject to the measures may be classified to the following tariff subheadings of Schedule 3 to the <i>Customs Tariff Act 1995</i>:</p> <ul style="list-style-type: none"> • 7208.26.00 statistical code 33; • 7208.27.00 statistical code 34; • 7208.39.00 statistical code 38; • 7208.53.00 statistical code 42; • 7208.54.00 statistical code 43; • 7208.90.00 statistical code 39; • 7211.19.00 statistical code 41.

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. [\(Please note that CSC has made minor edits to the MCC sub-categories to properly report its costs and sales, as shown in blue.\)](#)

Category	Sub-category	Identifier	Sales Data	Cost data	Key category
Quality	Prime	P	Mandatory	Not applicable	Yes
	Non-Prime	N			
Form	Coil	C	Mandatory	Mandatory	Yes
	Sheet	S			
Surface condition	As rolled	A	Mandatory	Mandatory	Yes
	Pickled (with or without oil)	PI			
Standard/Grade	HA1(S) / G250 / HA250 / SPHC /	01	Mandatory	Mandatory	Yes

¹ ADN [2012/66](#)

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	SS400 (AS1594 / JIS G3131 / JIS G3101)				
	G300 / HA300 (AS1594)	02			
	G350 / HA350 / SS490 (AS1594 / JIS G 3106)	03			
	HW350 / SMA490 / 'Corten' (AS 1594 / JIS G 3114)	04			
	Other	05			
	For downstream use and overrun (leeway) products	06			
Thickness (BMT)	< 1.6mm	T1	Mandatory	Mandatory	Yes
	=>1.6mm to <2.0mm	T2			
	=>2.0mm to <4.75mm	T3			
	=>4.75mm	T4			
	Non-prime (dimension cannot be identified)	T0			
Width	<= 1000 mm	W1	Mandatory	Mandatory	Yes
	>1000 mm	W2			
	Non-prime (dimension cannot be identified)	W0			

In constructing a MCC, use a "-" between each category. For example: P-C-PI-1-T1-W1

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: *Roy Lin*
Position in the company: *Administrator of Marketing Administration Department*
Address: *88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan*
Telephone: *+886 7 337 1339*
E-mail address: *179127@mail.csc.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: *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 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan.

4. Please provide the location of the where the company's production records are held.

The production records are kept at 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan, and 1, Chung Kang Road, Hsiao Kang District, Kaohsiung 812, Taiwan.

A-2 Company information

1. What is the legal name of your business??

China Steel Corporation ("CSC")

2. Does your company trade under a different name and/or brand? If yes, provide details.

CSC has no other business names.

3. Was your company ever known by a different legal and/or trading name? If yes, provide details

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CSC 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 during September 2017 and September 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

CSC is a parent company with subsidiaries. CSC is not a subsidiary of any other company.

*Please see **Exhibit A-2.5** for a diagram of CSC ownership structure and a list of these related companies with their functions. The diagram depicts the shareholding relationships between CSC and its related companies, and includes all companies for which CSC owned more than 5 percent of the outstanding shares.*

6. Is your company or parent company publically listed?

If yes, please provide:

- (c) The stock exchange where it is listed; and
- (d) Any principle shareholders²

If no, please provide:

- (a) A list of all principal shareholders and the shareholding percentages.

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.

*Please see **Exhibit A-2.6** for the 10 largest shareholders of CSC as of August 1, 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.

CSC was established in early 1970s, as a manufacturer of steel products. CSC produces a variety of steel products, including slabs, hot-rolled coils, cold-rolled coils, corrosion resistant coils, billets, wire rod, bar, and plates and sells the goods for both domestic and export markets.

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.

² 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.

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

Please note that Dragon Steel Corporation (“DSC”), one of CSC's 100% owned subsidiaries, is also a producer of the goods, [REDACTED]

[REDACTED] *Please see Exhibits A-2.8-1 and A-2.8-2 for sample documents for domestic and Australian sales of the goods* [REDACTED]

[REDACTED] *Please see Exhibit A-2.8-3 for the commission agency agreement* [REDACTED].

The export sales of the goods are taken care by China Steel Global Trading Corp. (“CSGT”), [REDACTED]% owned subsidiary of CSC. CSGT plays the selling arms for CSC's export sales, assisting CSC to locate overseas customers, contact the customers, and prepare documents.

In addition to handling the export sales for the goods [REDACTED], CSGT purchased small quantity of hot-rolled products and subcontracts the same for cutting and slitting process to produce hot-rolled sheets and hot-rolled strips. These hot-rolled sheets and strips were then sold by CSGT [REDACTED] [REDACTED] during the POR.

[Confidential details of related party transactions]

9. Provide your company's internal organisation chart.

Please refer to Exhibit A-2.9 for CSC's Internal Organization Chart.

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

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

(1) Production Division

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.

(2) Commercial Division

The Commercial Division is in charge of sales, marketing, transportation and procurement. As explained above, CSC's export sales are not handled by the Commercial Division, but instead are handled by CSC's affiliate CSGT.

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(3) *Engineering Division*

The Engineering Division is in charge of the planning, execution and supervision for CSC's internal major engineering projects as well as contract-engineering work for other companies.

(4) *Technology Division*

The Technology Division is in charge of research & development, quality control, metallurgical technology, green energy & system integration technology.

(5) *Finance Division*

The Finance Division is in charge of CSC's financing, accounting information system and cost.

(6) *Administration Division*

The Administration Division is in charge of CSC's general administration, including human resources, general affairs, public affairs and retiree affairs.

(7) *Corporate Planning Division*

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

(8) *Wind Power Business Development Committee*

The Wind Power Business Development Committee is in charge of market development, engineering, and relevant services of wind power business.

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

*Please refer to **Exhibit A-2.11** for CSC's product catalogue of hot rolled products.*

A-3 General accounting information

1. What is your financial accounting period?

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

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

All CSC's financial accounts are audited by Deloitte & Touche.

3. What currency are your accounts kept in?

CSC's accounts are kept in New Taiwan Dollar (NTD or TWD).

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

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- (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.

CSC does not have divisional, factory/facility or product-specific income statements. The income statements to the company as a whole.

Please refer to

Exhibit A-4.3-1: CSC's Internal Income Statements for 2018 and POR.

Exhibit A-4.3-2: DSC's Internal Income Statements for 2018 and POR.

Exhibit A-4.3-3: CSGT's Internal Income Statements for 2018 and POR.

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-4.3 for Income Statements 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-4.5-1: CSC's trial balance for 2018 and POR

Exhibit A-4.5-2: DSC's trial balance for 2018 and POR

Exhibit A-4.5-3: CSGT's trial balance for 2018 and POR

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

*Chart of Accounts of CSC, DSC and CSGT are provided in **Exhibit A-4.6.***

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

SECTION B EXPORT SALES TO AUSTRALIA

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

Having decided to accept an order from the customer, a sales confirmation is sent by China Steel Global Trading Corp ("CSGT", CSC's subsidiary), to the customer. CSGT is a service entity that helps CSC to locate overseas customers and to prepare export documents. CSC pays CSGT a service charge for the services provided.

Price negotiation for its sales to Australia is based on internal quarterly price guidelines, with additional mark-ups taken into account according to specification and size.

Following the sales confirmation, CSC will generate internal sales order and proceed with production. As soon as the payment is received from the customer, CSC ships the merchandise to the customer, along with the commercial invoice and shipping documents.

*Please see **Exhibit B-1.1.a** for a flowchart explaining the sales process for export sales, and **Exhibit B-1.1.b** for a chart setting out the terms of delivery and payment.*

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?

CSC invoices its Australian customers in USD and the customers pay in USD

CSC does not use forward contracts.

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

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.

CSC is not related to its Australian customers.

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

[confidential terms of sale]

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

[confidential terms of sale].

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 CSC 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.

CSC 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.

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- 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.*

[REDACTED]

[REDACTED] [details of trading arrangements]

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

The source of sales data in Exhibit B-2 is [REDACTED] and the source of exporting expense is [REDACTED].

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.

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.

*The GUC CSC exported to Australia during the POR include hot-rolled coils, Pickled / oiled coils, hot-rolled sheets. The specification of the GUC of CSC's Australian Sales is listed in **Exhibit C-1.1**.*

*Please refer to **Exhibit A-2.11** for a product catalogue with specification details. Also, please refer to **Exhibits B-3.1-a** and **B-3.1-b** for 2 sample mill certificates.*

*In **Exhibit C-1.1**, in addition to the product specification, CSC also listed the corresponding MCC category for Standard/Grade.*

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 CSC 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 Product Catalogue as provided in **Exhibit A-2.11** for specifications in detail.*

*In **Exhibit C-2.1**, in addition to the product specification, CSC also listed the corresponding MCC category for Standard/Grade.*

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

Please see Exhibit C-3 for coding rule for CSC's product code.

In addition, for production control, cost accounting and inventory records, the internal production codes are called "IP" codes, which identifies the product category. The 5-digit IP code (a system) relating to GUC is listed in Exhibit C-3.1. IP code is also reported in Exhibit B-2 and Exhibit D-2.

Identification for each section of the MCC is as follows:

[REDACTED] - This section can be identified by [REDACTED]

[REDACTED] - [REDACTED]

[REDACTED] - CSC uses [REDACTED]
xxxxxxxxxxxxxxxx.

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

CSC uses two types of price lists in making domestic sales. The first is a price list with base steel prices ("the base price list"). The second is an additional mark-up price guideline which accounts for the various specification, dimension and type differences that can apply to any particular order ("additional mark-ups schedule / price extra schedule").

February, May, August and November - for the next quarter (that is, the price set in May 2019 is for the goods scheduled to be shipped during July through September 2019)

The price lists do not differentiate between customers.

Following the determination of the base price for the period, the sales process is initiated by way of CSC issuing a transaction note to its customers, which informs the customer of the prices that will apply during the period to the specific product groups ordered by the customer in the previous quarter and the projected quantity. 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, i.e., Government Uniform Invoice (referred to as a "GUI") to its customer.

*Please see **Exhibit D-1.1.a** for a flowchart setting out the sales process for domestic market and see **Exhibit D-1.1.b** for a chart setting out the terms of delivery and payment.*

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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.

Please see Exhibit D-1.2 for the list of domestic customers indicating whether they are related to CSC.

[REDACTED] [terms of sale]

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

As explained above, sales are made in accordance with the based price list and additional mark-ups schedule. Please see Exhibit D-1.3 for a summary of base prices during the POR and sample additional mark-ups schedule.

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, CSC's prices do not vary by channels of distribution. CSC's prices are mainly based on steel type, grade, specifications, volume and delivery schedule.

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.

CSC grants several types of discounts and price adjustments from prices charged to its domestic market customers.

1 [REDACTED]

[REDACTED]

2 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. [REDACTED]

[REDACTED]

[REDACTED], is provided in *Exhibit D-1.5*.

[REDACTED] provided in *Exhibit D-2*.

[Confidential details of adjustments to prices].

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 CSC's reply above in D-1.5. When these price adjustments occurred, CSC issued credit notes or debit 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.

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- 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.

The source of sales data in Exhibit D-2 is [REDACTED] and the source of exporting expense is [REDACTED].

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

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

*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].*

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.

CSC 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.

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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

CSC does not provide rolling credit facility to its domestic customers.

Credit terms have been identified in CSC's domestic sales in Exhibit D-2.

- (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 CSC's monthly interest rate on NTD short-term borrowings during the POR and the POR average rate.

With respect to payment term [REDACTED], CSC reported the credit expense by multiplying the number of days indicated by payment term first by the invoice price, and then by the average NTD short-term borrowing interest rate during the POR, and then divided by 365 days:

*Imputed credit expense = Net invoice price * the average interest rate of short-term borrowings * days indicated by agreed payment term / 365*

Regarding payment term [REDACTED]

[payment term details]

- (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?

CSC 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:
 - (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]
[REDACTED] [payment term details]

- (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?

Please see Exhibit E-1.2 for CSC's monthly interest rate on USD short-term borrowings during the POR and the POR average rate.

E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?

Packing materials and labour costs are recorded in factory overheads. With respect to as-rolled products, packing is nearly the same for domestic sales as for Australian sales. Packing materials include strap and seal.

Regarding pickled products for domestic sales, packing materials include strap, seal, VCI Paper and sheet metal protectors. For pickled products for export sales, packing materials are the same as domestic sales, but with more sheet metal protectors.

2. What is the packaging used for your export sales of the goods to Australia?

Please see the reply in E-2.1.

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

Please see Exhibit E-2.3 for the packing cost reported in Exhibits B-2 and D-2.

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?

CSC has reported inland transportation costs on an actual basis.

The general ledger account is 623530750, inland freight-direct selling expense.

CSC 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 CSC is

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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.

Please see Exhibit F-1.2 for the list of third country customers indicating whether they are related to CSC.

[REDACTED] [terms of sale]

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 CSC 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 refer to Exhibit F-2 Third Country Sales.

[REDACTED] [details of trading relationships]

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

The source of sales data in Exhibit F-2 is [REDACTED].

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 CSC's sales to Australia and to other third countries which would likely affect comparison of them, such as different trade terms and payment 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.

CSC is an integrated steel mill. As shown in CSC's production process flow chart, http://www.csc.com.tw/csc_e/pd/prs.htm, (1) coal and (2) iron ore are the very beginning inputs to coke oven plant and sinter plant respectively. The first output is molten hot metal using the raw materials iron ore and coal in an iron-making production process. After the iron making process, CSC produces slab through a steel making process via CSC's basic oxygen furnaces, in which oxygen is blown through molten hot metal to convert the hot metal into liquid steel, which is then cast into slabs. Then hot strip mill is in charge of rolling steel slab into hot-rolled products, the goods.

Please see Exhibit G-1.1.a and Exhibit G-1.1.b for the detailed production flowchart directly relating to the GUC.

In the production lines of hot-rolled products, no by-products were generated. Steel scraps are reintroduced into the production cycle as raw material.

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.

Please see Exhibit G-1.2 for CSC's purchases from related companies.

[supplier details]

As shown in this Exhibit,

[confidential supplier details]

G-2. Cost accounting practices

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

CSC's 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?

PUBLIC RECORD

- (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
- (c) How were those variances allocated?
- (d) Provide details of any significant or unusual cost variances that occurred during the period.

CSC's cost accounting system is based on actual costs. However, for cost recording purposes during the month, CSC would first record the cost by a standard cost (for a given product group or category), and then adjusted it at the end of the month to the actual cost by applying variance ratios when doing monthly closing. Therefore, CSC's production cost and inventory costs reflect the actual costs.

There were no significant or unusual cost variances that occurred during the POR.

- 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 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, i.e., 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.

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

*CSC 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, as provided in **Exhibit C-3.1 Production IP Code**.*

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

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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:
- Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
 - 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. CSC did not engage in any relevant start-up operations relating 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?

In addition to prime goods, non-prime goods and scraps are also an output of the production process. The cost of these non-prime goods and scraps are determined by standard costs and treated as recovery. The actual production costs incurred, after deducting the recovery value of non-prime goods and scraps, are absorbed by the prime-grade output product.

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

Under CSC's 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.

CSC 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

Not applicable, as no management fee/corporate allocation is charged to CSC 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.

PUBLIC RECORD

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 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 produced by CSC and DSC sold on the domestic market.*

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

As stated above, in CSC’ normal cost accounting, CSC does not calculate costs separately for each specific specification or type of the GUC, so CSC manually ran programming command to calculate the cost for each MCC in Exhibit G-3.

In order to report MCC-specific costs, [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Confidential costing accounting methodologies]

G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".

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- 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 materials](#)

[REDACTED]

[REDACTED]

[REDACTED]

Labour

[REDACTED]

[REDACTED]

Manufacturing overheads

[REDACTED]

[Confidential costing accounting methodologies]

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?

TCSC used self-produced slabs for production of GUC. For self-produced slabs, the primary raw materials are coal and iron ore.

PUBLIC RECORD

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.
 - 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** CSC’s Raw material CTM for the self-produced slabs for hot-rolling mill.*

3. Using the domestic cost data in “G-3 Domestic CTM” (use “G-5 Australian CTM” if you have no domestic production of like goods), 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-7.2** for the ratio of coal and iron ore representing in GUC.*

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 coal and iron ore.*

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 also identified in another tab of the same Exhibit.*

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.*

PUBLIC RECORD

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.

*Please see **Exhibit G-7.4** for purchase listing of coal and iron ore, in which CSC identifies the manufactures. None of the manufactures are related with CSC.*

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

1. 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

EXPORTER'S DECLARATION

I hereby declare that CHINA 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 : CHI-HUNG CHOU

Signature : *Chou chi-hung*

Position in Company : GENERAL MANAGER OF
MARKETING ADMINISTRATION
DEPARTMENT

Date : *Dec. 02. 2019*