

# **Exporter Questionnaire**

**Case number:** 584

**Product:** Merchant Bar

**From:** Taiwan

**Investigation period:** 1 April 2020 to 31 March 2021 (the period)

**Response due by:** 4 August 2021

**Email enquiries to:** [investigations1@adcommission.gov.au](mailto:investigations1@adcommission.gov.au)

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

**Responses to the exporter questionnaire must be submitted via SIGBOX. Please contact the Commission on the above email address to request access to SIGBOX.**

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## **INSTRUCTIONS**

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

The Anti-Dumping Commission (the Commission) is conducting an investigation into merchant bar exported to Australia from Taiwan.

The Commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether merchant bar is dumped.

Any information provided may be used by the Commission for any purpose consistent with its statutory functions.

### **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 Commission 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 Commission, 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 via SIGBOX, a secure online document repository. Please contact the Commission on the email address listed on the cover page to request access to SIGBOX.

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 considered as an uncooperative exporter.

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

You are required to lodge a confidential version (OFFICIAL: Sensitive) and a non-confidential version (for publishing on the 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 "OFFICIAL: Sensitive" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The public record version of your questionnaire will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information without breaching confidentiality.

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 questionnaires are required to have a bracketed explanation of deleted or blacked out information for the public record version of the questionnaire. 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 requested to resubmit your response with the required level of detail or, if deadlines have passed, the Commission may not have regard to it.

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

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

The verification 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.

The verification may include Commission staff visiting your company to conduct on onsite verification<sup>1</sup>. Any onsite verification typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with the planning of a verification, please contact the Commission as soon as possible for a potential verification date to be scheduled.

The onsite verification is usually conducted over 4 days. However, in complex cases, it may be scheduled over 5 days. A verification 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.

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<sup>1</sup> The Commission has temporarily suspended onsite verification due to the COVID-19 pandemic (refer to Anti-Dumping Notice No. 2020/29). However, your response to the exporter questionnaire may still be subject to onsite verification should the suspension of onsite verifications be lifted.

## **PUBLIC VERSION**

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

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, which details the outcomes of the verification. 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.

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. To the extent that the foreign language version differs, the English translation will be given priority as a matter of interpretation in Australia.
- 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 shared with the Commission via SIGBOX, a secure online document repository. Please contact the Commission 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"/>
<b>Error! Reference source not found.</b>	<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-2.2 Australian sales source	<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"/>
D-2.2 Domestic sales source	<input checked="" type="checkbox"/>
F-2 Third country sales	<input checked="" type="checkbox"/>
F-2.2 Third country sales source	<input checked="" type="checkbox"/>
G-3 Domestic CTM	<input checked="" type="checkbox"/>
G-3.2 Domestic CTM source	<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-5.2 Australian CTM source	<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-10 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 and/or in receipt of countervailable subsidies, are:

The goods are steel bars and sections in the following shapes and sizes, whether or not containing alloys:

- “Flat bars” (Rectangular sections) that have a thickness of 4.75 millimetres (mm) or greater and have a width greater than 17 mm and less than 165 mm;
- “Channels” (U sections and C sections) that have a web thickness greater than 3 mm and are of a height greater than 70 mm and less than or equal to 130 mm; and
- “Equal angles” and “unequal angles” (L sections), that have a thickness greater than 2.5 mm with a combined leg length greater than 40 mm and less than or equal to 200 mm.

“Flat bars” include "modified rectangles", of which two opposite sides are convex or concave arcs, the other two sides being straight, of equal length and parallel. “Channels” include both parallel and tapered flanges. Steel sections in the dimensions described above, that have minimal processing, such as cutting, drilling or coating (other than coating or plating with zinc or a zinc alloy) do not exclude the goods from the subject of this application.

Goods excluded from this application are:

- goods that are formed by welding or are cold-formed or slit from flat-rolled products ;
- goods that are galvanised;
- goods that are of stainless steel; and
- goods that are in coiled form.

Goods that meet the above description are commonly, but not exclusively, referred to as “merchant bar”.

**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	Quality	Prime	P	Mandatory	N/A	Yes
		Non-prime	N			
2	Shape	Flats	F	Mandatory	Mandatory	Yes
		Equal angles	E			
		Unequal Angles	U			
		Parallel flange channels	P			
		Tapered flange channels	T			
3	Grade  Minimum yield strength specified by the Standard the product is certified to be produced to (measured in megapascals or “MPa” or Newton per square millimetre (N/mm <sup>2</sup> )). <sup>2</sup>	Less than 275	250	Mandatory	Mandatory	Yes
		Equal to or greater than 275 or less than 330	300			
		Equal to or greater than 330	350			

In constructing a MCC, use a "-" between each category. For example: P-F-250 (using the three MCC categories) would indicate prime flat merchant bar with grade less than 275.

The MCCs will be used to 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 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 considered deficient.

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<sup>2</sup> This is NOT the actual batch test result indicated on a test certificate as the actual results must necessarily exceed the minimum requirement of the Standard.



## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: *Mr. Henry Chang*  
Position in the company: *Supervisor, Export Marketing Dept.*  
Telephone: *+886-4-2556-5101 #2150*  
E-mail address: *henry@fenghsin.com.tw*

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

Name: *Mr. John Bracic*  
Address: *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 your company's financial records are held.

*No. 998, Sec. 1, Jiahou Rd., Houli Dist., Taichung City 421, Taiwan (R.O.C)*

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

*No. 998, Sec. 1, Jiahou Rd., Houli Dist., Taichung City 421, Taiwan (R.O.C)*

5. Please provide the location of your company's production plant manufacturing the goods under consideration.

*No. 998, Sec. 1, Jiahou Rd., Houli Dist., Taichung City 421, Taiwan (R.O.C)*

### A-2 Company information

1. What is the legal name of your business?

*Feng Hsin Steel Co., Ltd ("Feng Hsin")*

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

*No, Feng Hsin does not trade under a different name and/or brand.*

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

*No, Feng Hsin was never known by a different legal and/or trading name.*

4. Provide a list of your current board of directors and any changes in the last two years.

*The list of members of board of directors is provided in Exhibit A-2.4 and no changes in the last two years*

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

*Please see Exhibit A-2.5 for the affiliation ownership structure chart, a list of the related companies and its functions respectively. None of the related companies involved in the production or sales of the goods under consideration.*

6. Is your company or parent company publically listed?  
If yes, please provide:
- (a) The stock exchange where it is listed; and
  - (b) Any principle shareholders<sup>3</sup>
- If no, please provide:
- (a) A list of all principal shareholders and the shareholding percentages.

*Feng Hsin was established in 1969, and listed in the Taiwan Stock Exchange in 1992. As such, the holding of each shareholder will vary from time to time in line with the shareholder's trading in the stock market. The list of the top 10 shareholders of Feng Hsin dated as of April 13 2021 is provided in Exhibit A-2.6, which has already covered all shareholders owning more than 5% of our shares.*

7. What is the overall nature of your company's business? Include details of the products that your company manufactures and sells and the market your company sells into.

*Feng Hsin is a steel manufacturer that produces merchant bars, special bars and rebars. Feng Hsin [redacted] [production facility]. Product line including angle bar, square bar, channel, flat bar, rebar, round bar and bar in coil.*

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.

*Feng Hsin is the producer of the goods under consideration and sells to overseas and domestic markets.*

9. Provide your company's internal organisation chart.

*Please see Exhibit A-2.9 for Feng Hsin's internal organisation chart.*

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<sup>3</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.

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

*Please see pages 2~6 of Exhibit A-2.9 for the functions performed by each division of Feng Hsin.*

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

*Please refer to Exhibit A-2.11-a for company brochure and Exhibit A-2.11-b for Product Catalogue of Feng Hsin.*

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

1. What is your financial accounting period?

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

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

*Yes, Feng Hsin's financial accounts are audited and the auditor is Ernst & Young.*

3. What currency are your accounts kept in?

*NT\$, New Taiwan Dollars.*

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

*The ERP system Feng Hsin uses is [REDACTED]. As to the modules that Feng Hsin has in ERP system, please see Exhibit A-3.7 for Chart of ERP System where we demonstrate the relationship among the modules.*

*The raw data kept in Feng Hsin's ERP system is recorded in [REDACTED]  
[REDACTED] [accounting system interface].*

5. What is the name of your sales system?

*Please see our answers above.*

6. What is the name of your production system?

*Please see our answers above.*

7. 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.

*Please see our answers above and Exhibit A-3.7 for Chart of ERP System where we demonstrate the relationship among the modules.*

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

*Feng Hsin maintained its books and records in accordance with generally accepted accounting principles in Taiwan ("Taiwan GAAP") and the International Financial Reporting Standards ("IFRS").*

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

*No.*

#### **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 for Feng Hsin's Audited Financial Statements for the year 2020 and Exhibit A-4.1-b for the year 2019. As stated above, none of the related companies involved in the production and sales of the subject merchandise.*

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, Feng Hsin's financial statements 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.

*No, Feng Hsin does not maintain different profit centres. Please note that Feng Hsin does not have divisional, factory/facility or product-specific income statements.*

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 the income statements for the year 2020 and the POI.*

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 the trial balance for the year 2020 and the POI.*

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

*Please refer to Exhibit A-4.6 for the chart of accounts of Feng Hsin with English translation.*

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

## SECTION B EXPORT SALES TO AUSTRALIA

### B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and representatives (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

*Please refer to Exhibit B-1.1-a for the flowchart of sales process to Australia market and Exhibit B-1.1-b for the distribution channels to Australia market.*

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:

*The invoice currency is in U.S. dollars.*

- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;

*The customers pay Feng Hsin in U.S. dollars.*

- (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;

**[REDACTED]** *[Export contract details]*

- (c) How is the exchange rate determined in your accounting system and how often is it updated?

*The transactions for sales of Feng Hsin in the foreign currency are recorded in New Taiwan Dollars at the exchange rates [REDACTED] and the exchange rates [REDACTED].*

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.

*No, none of the Australia customers were related to Feng Hsin.*

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

**[REDACTED]**

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.

[REDACTED] *[Factors affecting pricing]*

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 and/or rebate.

[REDACTED] *[Factors affecting pricing]*

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.

[REDACTED] *[Factors affecting pricing]*

8. In establishing the date of sale, the Commission will normally use the date of invoice as it best reflects the material terms 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?

*Feng Hsin would claim [REDACTED] as the date of sale for Australia sales.*

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

*As stated in the answers to Q.1 in this section above and the sales process in Exhibit B-1.1-a, [REDACTED]*

[REDACTED] *[Details of exportation]*

## **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.
  - 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-2.1 for Australia Sales.*

2. Complete worksheet “B-2.2 Australian sales source” showing the relevant source of the data used for each column of worksheet “B-2 Australian sales”.

*Please refer to Exhibit B-2.2 for Australia Sales Source.*

### **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
  - Product Specification
  - Invoices for ocean freight & marine insurance (if applicable)
  - Country of origin certificates (if applicable)

*Please refer to Exhibits B-3.1-a and B-3.1-b for the sales documentation for the two largest invoices by value [REDACTED] and [REDACTED] respectively.*

*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.

*We have done so 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.

*Please refer to Exhibit B-4 Upward Sales.*

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.

*The source documents have been included in Exhibit B-4.*

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; and
- provide the account code and sub-account code (if applicable) at column E of the worksheet.

*We have done so in Exhibit B-4.*

### **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.

*Please refer to Exhibit B-5 Upward Selling Expenses.*

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.

*The source documents have been included in Exhibit B-5.*

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; and
  - provide the account code and sub-account code (if applicable) at column D of the worksheet.

*We have done so in Exhibit B-5.*



## 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.

*Please refer to Exhibit C-1.1 for the specification including product type, steel grade, dimensions and cost group codes in Feng Hsin's cost accounting system of the subject merchandise exported to Australia during the POI.*

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.

*Please refer to Exhibit C-1.2 for the list of MCCs exported to Australia.*

#### 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.

*Please refer to Exhibit C-2.1 for the specification including product type, steel grade, dimensions and cost group codes in Feng Hsin's cost accounting system of the subject merchandise sold in the domestic market during the POI.*

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.

*Please refer to Exhibit C-2.2 for the list of MCCs sold in the domestic market.*

#### 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.

[redacted] [explanation of product coding system]:

(1) [redacted]:

[redacted]	[redacted]	[redacted]
[redacted]		[redacted]
[redacted]		[redacted]
[redacted]		[redacted]
	[redacted]	[redacted]
	[redacted]	[redacted]
	[redacted]	[redacted]
	[redacted]	[redacted]

(2) [redacted]:

[redacted]	[redacted]	[redacted]
[redacted]		[redacted]
[redacted]		[redacted]
[redacted]		[redacted]
[redacted]		[redacted]
[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]
	[redacted]	[redacted]
	[redacted]	[redacted]

## 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

[material terms of sale]

*Exhibit D-1.1-a contains a flow chart of sales process in the domestic market for the subject merchandise. Please also see Exhibit D-1.1-b for the sales channel in the domestic market.*

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.

*No, none of the domestic customers are related to Feng Hsin.*

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

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.

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 customer to obtain the discount and/or rebate.

[material terms of sale]

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.

[redacted] [material terms of sale]

7. In establishing the date of sale, the Commission will normally use the date of invoice as it best reflects the material terms 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?

*Feng Hsin would claim [redacted] as the date of sale for Australia sales.*

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

*As stated in the answers to Q.1 in this section above and the sales process in Exhibit B-1.1-a, [redacted]*

[redacted] [material terms of sale]

## 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-2.1 for Domestic Sales.*

2. Complete worksheet “D-2.2 domestic sales source” listing the source of the data used for each column in worksheet “D-2 domestic sales”.

*Please refer to Exhibit D-2.2 for Domestic Sales Source.*

## 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 refer to Exhibits D-3.1-a and D-3.1-b for the sales documentation for the two largest invoices by value [redacted] and [redacted] respectively.*

*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 “D-2 Domestic sales” listing to the source documents in D-3.1.

*We have done so 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.

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.

*Please refer to Exhibit B-4 Upward Sales.*

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.

*The source documents have been included in Exhibit B-4.*

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; and
  - provide the account code and sub-account code (if applicable) at column E of the worksheet.

*We have done so in Exhibit B-4.*

## 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:

[Redacted] *[Credit terms]*

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

*Not applicable, see above.*

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:

[Redacted] *[Export credit terms]*

- (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 Australian customer (credit sales divided by the average accounts receivable).
  - ii. Calculate the average credit term for each Australian customer by dividing 365 by the accounts receivable turnover
- (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. Do you have 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?

*Not applicable, see above.*

### E-2 Packaging

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

*There's no specific packaging on the goods no matter sold in the domestic or export markets. The goods are bundled up with wire rope. Please refer to Exhibit A-2.11 for the pieces in one bundle by dimension and product type.*

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

*There's no difference in packaging for the goods between domestic and Australia sales, please see above.*

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

*Not applicable, please see above.*

### **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?

*The goods are delivered to the domestic customers by truck. Please refer to Exhibit E-3.1 for the inland freight rate schedule per ton by destination during the POI.*

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

[REDACTED]

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?

*The inland freight from Feng Hsin to the port of exit and port changes are reported in actual basis and allocated to the products in the same shipment by weight.*

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] *[Export terms of sale]*

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] *[Export terms of sale]*

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?

7. [REDACTED] *[Export terms of sale]*

### **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.

*No sales commissions paid for domestic sales.*

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?

*The rate of VAT is 5%, levied on purchases of inputs and also on home market sales of finished goods by Feng Hsin. Export sales of goods are subject to a zero-percent (0%) VAT and entail a cash refund at the rate of 5% of export sale value against the input VAT paid on purchased inputs. The remaining balance of input VAT is reserved as credits for the next term.*

- How is VAT accounted for in your records in relation to sales of the goods and like goods?

*VAT is not booked in sales revenue accounts. VAT levied on purchases of inputs is booked in asset account while booked in liability account for home market sales of finished goods.*

- Do you receive a VAT refund in relation to sales of the goods and/or like goods?

*Please see answers above.*

- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

*No.*

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

*Except inland freight, no other direct selling expenses incurred for domestic sales.*

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

*In addition to inland freight from Feng Hsin to the port of exit, Feng Hsin also reports the following expenses in NT\$:*

(1) [REDACTED];

(2) [REDACTED];

(3) [REDACTED];

(4) [REDACTED];

(5) [REDACTED];

(6) [REDACTED];



(7) [REDACTED]

**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.

*As stated in the answers to Q.1.6 of Section D above, Feng Hsin provides all its customers with warranty services for the goods. Feng Hsin usually sends its technicians to examine warranty claims first and refund for defectives, if the transaction is warranted.*

[REDACTED] [Warranty expenses incurred]

## 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.

*The sales process to third countries are the same with Australian sales.*

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.

*No, none of the third country customers are related to Feng Hsin.*

3. In establishing the date of sale, the Commission will normally use the date of invoice as it best reflects the material terms 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?

*Not applicable. Feng Hsin has sold the identical product concerned with sufficient quantity in the domestic market, thus, all the Normal Value is based on the sales in the home market.*

### 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-2.1 Third Country Sales.*

2. Complete worksheet “F-2.2 third country sales source” listing the source of the data for each column in the worksheet “F-2 third country sales”.

*Please refer to Exhibit F-2.2 Third Country Sales Source.*

### 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.

*Not applicable. Feng Hsin has sold the identical product concerned with sufficient quantity in the domestic market, thus, all the Normal Value is based on the sales in the home market.*

## 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 provide product specification and standard. Specify all scrap or by-products that result from producing the goods.

*Please refer to Exhibit G-1.1 for the flowchart of the production process.*

*Feng Hsin produces the subject goods at ■ rolling facilities, which process the billets or bar in coils produced at ■ steel-making processes. Except the subject goods, Feng Hsin also produces rebars, round bars, square bars and bar in coil.*

*Scrap steels and indirect materials (e.g., alloys, natural gas and oxygen) are the material inputs in the steel-making process. The output billets from the steel-making process is the only input material at the subsequent rolling process. On a basis of ■ working hours per day, Feng Hsin produces ■ metric tons billets.*

*Please see Exhibit A-2.11-b Product Catalogue for the specification and standard that Feng Hsin produces.*

*There are recovered steels resulting from the production process of the product of the same description. Recovered steels are treated as deduction of production cost in the current period, and will be re-introduced into steel-making process as inputs. No other by-products are generated in production process.*

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.

*No, none of the suppliers are related to Feng Hsin.*

### G-2. Cost accounting practices

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

*Feng Hsin'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?
  - (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.

*Not applicable. Feng Hsin does not use 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.*

[REDACTED]

[REDACTED]

[REDACTED]

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

*Feng Hsin's cost accounting system follows the processing cost methodology.*

[REDACTED]

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

*All production costs are calculated by 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.

*Feng Hsin did not undergo start-up operations with respect to the subject goods and the like goods. Therefore, this and the preceding questions are not applicable.*

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

*Feng Hsin uses the [REDACTED] method to value the inventory of raw materials, and [REDACTED] method for valuing finished goods inventory in its cost accounting and financial accounting processes. Inventories are stated at the lower of weighted average cost or net realizable value. Net realizable value is the estimated selling price less all estimated costs of completion and costs necessary to make the sale.*

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

*There are recovered steels resulting from the production process of the product of the same description. The recovered steels are valued by [REDACTED] which is treated as recovery of production cost. It was set based on [REDACTED]. No other by-products are generated in production process.*

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

*There are recovered steels resulting from the production process of the product of the same description. The recovered steels are valued by [REDACTED] which is treated as recovery of production cost. It was set based on [REDACTED]. No other by-products are generated in production process.*

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

*No, no management fees/corporate allocations charged to Feng Hsin or 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 refer to Exhibit G-3.1 Domestic CTM for the period [REDACTED]. For the MCCs without CTM in the quarter of the date of sales, Feng Hsin has reported [REDACTED].*

2. Complete worksheet titled "G-3.2 domestic CTM source" listing the source of the data for each column of the worksheet "G-3 domestic CTM".

*Please refer to Exhibit G-3.2 Domestic CTM Source.*

#### **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 refer to Exhibit G-4.1 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 refer to Exhibit G-4.2 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 refer to Exhibit G-5.1 Australian CTM. For the MCCs without CTM in the quarter of the date of sales, Feng Hsin has reported [REDACTED].*

2. Complete worksheet titled "G-5.2 Australian CTM source" listing the source of the data for each column of worksheet "G-5 Australian CTM".

*Please refer to Exhibit G-5.2 Australian CTM Source.*

#### **G-6 Cost allocation method**

1. What is the allocation method used to complete in G-3 domestic CTM and G-5 Australian CTM for:
  - (a) Raw materials

[Redacted]

[Redacted]

*[Cost accounting methodology]*

(b) Labour

[Redacted]

*[Cost accounting methodology]*

(c) Manufacturing overheads

[Redacted]

*[Cost accounting methodology]*

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 method 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 [Redacted] [Product detail]*

## **G-7 Major raw material costs**

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

*The raw material for producing the subject goods are billets.*

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.

[Redacted] *[Supplier details] Please refer to Exhibit G-7.2 Raw Material CTM, reported by [Redacted].*

- 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.

*The percentage of costs of billets in Exhibit G-3 Domestic CTM is [REDACTED] %.*

- 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 refer to Exhibit G-7.4 Raw Material Purchases. Feng Hsin has reported [REDACTED] [Purchase details]*

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

*Please refer to Exhibit G-7.5 Raw Material Purchases Source.*

- For each raw material:
  - Select the two largest invoices by value and provide the commercial invoice and proof of payment.
  - 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 refer to Exhibits G-7.6-a and G-7.6-b for the requested documentation for the two largest invoices by value of purchases.*

- 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.

*No, none of the suppliers are related to Feng Hsin.*

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

- 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.

*Please refer to Exhibit G-8 Upward Costs.*

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



*We have done so in Exhibit G-8.*

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; and
  - provide the account number and sub-account number (if applicable) at column E of the worksheet.

*We have done so in Exhibit G-8.*

## **G-9 Production of the goods under consideration**

1. Describe your company's practices for capturing the production quantities reported at worksheets "G-3 domestic CTM" and "G-5 Australian CTM". Consider using a flowchart in answering this question.

*Feng Hsin weighs the output of finished product and books the actual weight by product in the warehouse report. Kilogram is the unit of weight.*

2. Outline the types of source documents kept by the company in relation to production quantities and how the production quantities are entered into the accounting system. Consider using a flowchart in answering this question.

*Feng Hsin weighs the output of finished product and books the actual weight on weighing list by product in the warehouse report. The production quantity [REDACTED] into the cost accounting system.*

3. Briefly explain the reasons for any differences between:
  - (a) the production quantities reported at worksheet "G-3 domestic CTM" and the sales volumes reported at worksheet "D-2 domestic sales"; and
  - (b) the production quantities reported at worksheet "G-5 Australian CTM" and the sales volumes reported at worksheet "D-2 domestic sales".

*Please note that Feng Hsin's most of production of subject merchandise is [REDACTED] [Product details]*

4. Do you have warehousing facilities for the goods exported to Australia or sold domestically? If no, what do you do with excess inventory? If yes, please outline:
  - (a) the volume capacity of these facilities;
  - (b) the monthly amount of inventory maintained during the period; and
  - (c) the average period of time that inventory is retained, and how this is calculated.

*No, Feng Hsin does not have warehousing facilities used exclusively for the goods exported to Australia or sold domestically. Feng Hsin never has excess inventory problem.*

## **G-10 Capacity Utilisation**

1. Please complete the worksheet named "G-10 Capacity Utilisation".
  - You must provide this list in electronic format using the template provided.

**PUBLIC VERSION**

- If you have used formulas to complete this worksheet, these formulas must be retained.

*Please see Exhibit G-10 Capacity Utilisation for requested information.*

2. Explain how the production capacity and capacity utilisation has been calculated.

*The production capacity is calculated by [REDACTED] hours a day and [REDACTED] working days a year. As to the capacity utilisation is calculated by taking the actual production volume divided by production capacity.*