

NON-CONFIDENTIAL VERSION

Received on 10 September 2014

EXPORTER QUESTIONNAIRE

**CERTAIN HOLLOW STRUCTURAL
SECTIONS EXPORTED FROM THE
KINGDOM OF THAILAND**

INVESTIGATION PERIOD: 1 JULY 2013 TO 30 JUNE 2014

RESPONSE DUE BY: **12 SEPTEMBER 2014**

CASE CONTACT:

CASE MANAGER: Mr Bora Akdeniz
TELEPHONE: +61 3 9244 8267
FAX: +61 3 9244 8902
EMAIL: operations4@adcommission.gov.au

ADDRESS FOR RESPONSE: Attention: Director Operations 4
Anti-Dumping Commission
Customs House
1010 La Trobe Street
Docklands Victoria 3095
AUSTRALIA

By email: operations4@adcommission.gov.au

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

SECTION A – COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office/Factory : Mahachai (Samutsakorn province)

Name: Mr. Varunchai Leekanchanakorn

Position in the Company: Managing Director

Address: 75/14, 75/17, 85 Moo 5, Soi Watsopanaram, Ekkachai Rd.,

Amphur Muang, Samutsakorn 74000 Thailand

Telephone: (66) (034) 833-891-3

Facsimile number: (66) (034) 833-894-5

E-Mail address of contact person: pipe@samchaisteel.com

Branch Office/Factory: Poochaosamingprai (Samutprakan province)

Name: Mr. Varunchai Leekanchanakorn

Position in the Company: Managing Director

Address: 56-56/1 Moo 2 Poochasamingprai Rd., Bangyaphraek,

Amphur Phrapradaeng, Samutprakan. 10130 Thailand

Telephone: (66) (02) 754-3555

Facsimile number: (66) (02) 754-3975

E-Mail address of contact person: pipe@samchaisteel.com

A-2 Representative of the company for the purpose of investigation

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name:

Organisation:

Position:

Address:

Telephone:

Facsimile/Telex number:

E-mail address of contact person:

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

A-3 Company information

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

Legal name of business: Samchai Steel Industries Public Company Limited

Kind of Entity: Public Company Limited

Any other business names that use for export and sell goods: None

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

Shareholder's Name	Number of shares	Percentage (%)
Ms.Jintana Leelachaicharoenpan	175,000,000	20.59
Mr.Disapong Supboonkerd	164,207,000	19.32
Chinthammitr Family*	157,200,050	18.49
Mr. Varoonchai Leekanchanakorn	106,000,000	12.47
Mrs.Tanyanun Duangraksa	10,929,900	1.29
Mrs.Kanoung Chantaratin	9,000,000	1.06
Mr. Viroj Ungpiboon	9000000	1.06
Mr. Prawich Dumrongpiyawut	7,850,000	0.92
Mr. Peerawich Kanchanapongkul	7,748,500	0.91
Mr. Jarupot Nisanant	5,107,500	0.60
TOTAL	652,042,950	76.71

NON-CONFIDENTIAL VERSION

Note: Chinthammitr Family includes Mr. Thawatchai Chinthammitr 114,400,100 shares and Mrs. Nuanjan Chinthammitr 42,799,950 shares.

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

Samchai is not a subsidiary of any company.

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

Samchai has no parent company.

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

Not applicable

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

No, Samchai has no parent company.

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

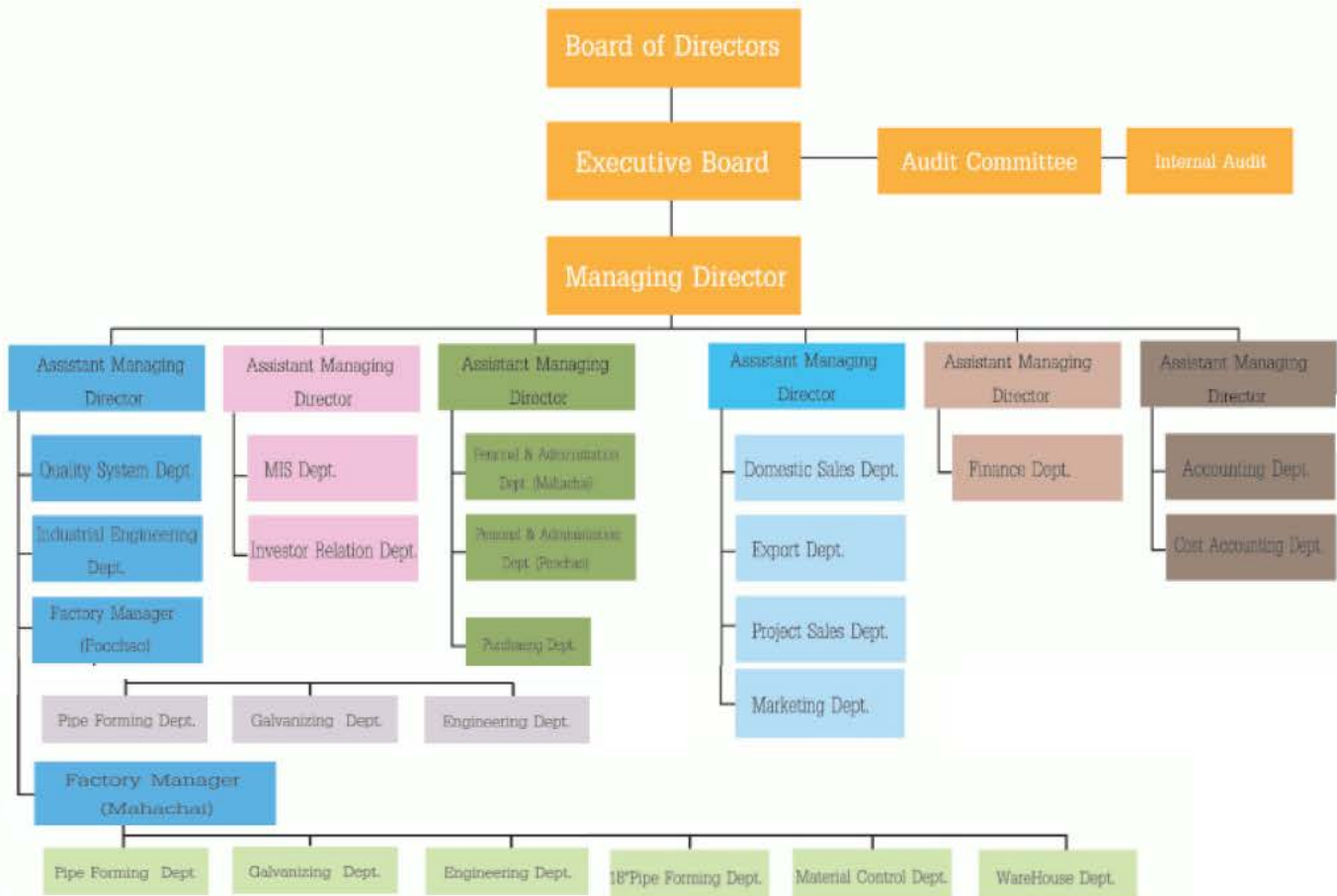
Samchai manufactures and sells steel pipes, as our core business. However, we also trade other steel products in order to serve our clients' needs.

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

Samchai performs all the functions in relation to the GUC.

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

Samchai Steel Industries Public Company Limited



Functions of Board of Director:

- To monitor and set the company's policies regarding business and financial practices, fund raising, fund management and risk management.
- To review investment proposals, approve the company's investment budget and monitor project-progress to ensure that it runs in accordance to the plan.
- To monitor the operation of the company to ensure that targets will be achieved or overachieved. To develop guideline to solve problems, ensuring that targets will be achieved or overachieved.
- To arrange general information report and financial information report for shareholders, stakeholders and investors in a timely manner. Ensure the information is accurate and complies with all relevant regulation and laws.
- To acknowledge important audit reports from the Audit Committee or internal auditor as well as the auditor and advisors in order to set guideline to improve significant.
- To asses sufficiency and appropriateness of the internal control and risk management system.

NON-CONFIDENTIAL VERSION

- To develop succession plan for executive positions.
- To appoint the Audit Committee and approve the scope of powers, duties and responsibilities of the Audit Committee.
- To appoint the Executive Directors or delegate one or more than one particular directors or other persons to act on behalf of Board of Directors.

Functions of Executive Board :

- To make decision in carrying out important tasks of the company. Set plans, type or size of missions, objectives, directions and policies if the company under the scope of powers and responsibilities that have been assigned. Manage and control the overall operation, production, customer relationship and report to the Board of Directors.
- To evaluate investment expansion plan as well as acquisition and disposition of the company's fixed asset and propose to the Board of Directors.
- To act and behalf of the company when conducting business with persons outside of the organization in the way that relates to and benets the company.
- To evaluate the company's fund raising activities to propose to the Board of Directors.
- To appoint advisors in different area that necessity for the operation of the company.
- To carry out general management activities.
- To approve business plan from each business unit and approve requests from business unit when the unit has no authority to approve such requests.

Functions of Audit Committee :

- To review the company's financial to ensure accuracy and adequate disclosure.
- To ensure that the company maintains an appropriate and efficient internal control system, consider independency of internal audit unit and recommendation of appointment, transference and retirement of head of internal audit unit or another unit which response internal auditing.
- To ensure that the company complies with the securities and exchange law, regulations of the Exchange and other relevant laws.
- To consider select and propose independence person for the appointment of the external auditor and make recommendation of remuneration of the auditor and meeting with auditor without management at least 1 time per year.
- To consider the related transactions or transactions that could create a conict of interest is comply with law and set regulation to ensure that transaction is reasonable and give highest benet to the company.
- To prepare Audit Committee Report to be published in the annual report. This report must be signed by Chairman of the Audit Committee.
- To perform any other act as delegated by the Board of Director and approved by the Audit Committee.

Functions of Managing Director:

- To manage and control the overall operation of the company.
- To manage or carry out assignment in accordance to policies, plans and budgets those have been set by the Board of Directors and/ or the Executive Committee.
- To have authority and approve budgets for the procurement of assets and services with benet the company. Such approval authority applies only to general commercial under pre-special budget that have been set by the Board of Director.

NON-CONFIDENTIAL VERSION

- To give orders, set disciplines, issues notice and memo to ensure that operations are carried out in the way that benet the company and comply with the company's policies.
- To act on behalf of the company when conducting business with persons outside of the organization in the way that relates the company.
- To approve the appointment of advisors that deemed important to the operation of the company.
- To manage the company's business as delegated in order to ensure that objectives will be met and ensure the compliance with policies, regulations, commands, disciplines, resolution of shareholders meeting and/or resolution of the Board of Directors and the Executive Committee's meeting.

Functions of Accounting Dept:

- To record all collections of payments received from sales and other sources
- To record all payments for all purchases made by different departments in Samchai
- To perform closing of all accounts in order to obtain the monthly profit and loss statements
- To keep tracks of all costing in relation to the production and inventory

Functions of Financial Dept:

- To make payments based on the information from the accounting dept.
- To apply for Letter of Credits (L/C) issuance
- To follow up with the collections of payments from the customers.
- To manage cash in-flow and cash out-flow

Functions of Sale & Marketing Dept:

- To analyse customers' needs in order to develop new selling strategies
- To visit and present Samchai's products to the customers
- To conclude sales order and complete all transactions related to the sales process

Functions of Personal& Administrator Dept (HR);

- To recruit, select, and conduct initial training for employees.
- To look after the employees' welfares
- To conduct payroll transactions for all employees

Functions of MIS Dept;

- To manage all Samchai's database
- To solve all problems in relation to the computer utilization

Functions of Purchasing Dept;

- To handle all purchases occurred in Samchai

Functions of Production Dept;

- To plan and produce all products as accordance to the sales' order

Functions of Engineer Dept;

- To maintain all machines and equipments.
- To develop additional equipments for the machines

Functions of Quality System Dept;

- To ensure that all products produced are in accordance to the domestic and international standards guidelines
- To issue mill certificates

10. Provide a list of your business' Board of Directors.

The list of the Board of Directors is as per below



Mr.Thongchai Leekanchanakorn

Chairman of Board of Directors
Bachelor of Electronics Chiyoda College Tokyo Japan
Training Course Director Accreditation Program (DAP) - IOD



Mr.Wattana Suthipinijtham

Vice Chairman of Board of Directors
M.B.A. New York University U.S.A.
Training Course Director Accreditation Program (DAP) - IOD



Ms. Jintana Leelachaicharoenphan

Director & Executive Director
Diploma (Accounting), Tungtongjit Commercial School
Training Course Director Accreditation Program (DAP) - IOD



Mr.Thawatchai Chinthammitr

Director
B.B.A. Human Resource Management, Assumption University
Training Course Director Accreditation Program (DAP) - IOD



Mr.Varunchai Leekanchanakorn

Director Executive Director & Vice President
M.B.A. Boston University / L.L.Chulalongkorn University
Training Course Director Accreditation Program (DAP) - IOD



Mr.Banpot Prasertsuksakul

Director Executive Director & Managing Director
B.A.Political Science (Public Administration), Thammasat University
Training Course Director Accreditation Program (DAP) - IOD



Mr.Pornchai Kittipanya-ngam

Independent Director & Chairman of Audit Committee
B.B.A. (Accounting), Thammasat University
Training Course Director Accreditation Program (DAP) - IOD



Mr.Prichar Harnhathya

Independent Director & Member of Audit Committee
M.B.A. (Finance), Columbia University U.S.A.
Training Course Director Accreditation Program (DAP) - IOD



Mr.Chatchawan Siriwutiset

Independent Director & Member of Audit Committee
B.B.A. (Accounting), Thammasat University
Training Course Director Accreditation Program (DAP) - IOD

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

Please see the annual report as per enclosed Compact Disc (CD)

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

- Suppling /selling completed or partially completed products.

Summary of transaction between the company and related person that could create a conflict during 2013 as follow:-

1. Transaction with Chainarong Inter trade Co., Ltd.

Nature of Transaction	Amount (Million Baht)	Condition/Appropriateness and Necessity
The company purchased barring and factory supplies		Chainarong Inter Trade Co.,Ltd. offers trade Credit 90 days while the others gave no credit term and the price was the same as normal market price.
- Purchase	1.78	
- Account payable		
Balance as at December 31, 2012	0.44	
Increase	1.90	
Decrease	(1.81)	
Balance as at December 31, 2013	0.53	

Remark :- Approved to make such transaction by board of directors meeting no. 3/2008 and management must report summary of transaction to board of directors meeting every quarter.

- Suppling / selling raw materials.

There is no business transaction with the related parties for the raw materials

NON-CONFIDENTIAL VERSION

- Performing management functions (including any financial functions)

Note: Please refer to Question 9 the enclosed annual report 2013 page 71

- Processing (including toll processing) of any raw materials, intermediary or completed productions.

There is no business transaction with the related parties for the toll processing of any raw materials, intermediary or completed productions.

- Trading in products/ materials supplied by related parties.

There is no business transaction with the related parties for the products/ materials supplied by them

A-4 General accounting/administration information

1. Indicate your accounting period.

Accounting period is 1st January to 31st December.

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

75/14, 75/17, 85 Moo 5, Soi Wat sopanaram, Ekkachai Rd.,
Amphur Muang, Samutsakorn 74000 Thailand

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

- chart of accounts;

Please see chart of account as per enclosed.

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

Please see Auditor's report in CD-ROM as per enclosed.

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the GUC.

Please see income statement in CD-ROM as per enclosed.

NON-CONFIDENTIAL VERSION

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Not applicable. All Samchai's accounts are audited every quarter.

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

Samchai's accounting system follows the Thai Accounting Standards (TAS), which was adapted from the International Financial Reporting Standards (IFRS).

Announced by the Department of Business Development of The Brief Particulars in the Financial Statements BE 2554 requires the authority to prepare accounting statements. And to submit financial statements to the Ministry of Trade.

- (1) Summary form is required in financial statements of public companies. Determined by reference to the financial reporting standards prescribed by the FAP International Financial Reporting Standards (IFRS).

Also, companies with public equity. Comply with the requirements of the standard financial reports prepared in accordance with international financial reporting standards fully. (TFRS / TAS / TFRIC / SIC).

- (2) Entry forms must include a statement that the financial statements of a registered partnership company incorporated under foreign law. And joint ventures under the Code Determined by reference to the financial reporting standards. For any non-public equity (NPAEs) FAP regulation.

Currently, the Federation of Accounting Professions of Thailand (FAP) have made accounting standards in Thailand prepared for international standards.

The Accounting Standards Board committee prepare a new accounting standard, in accordance with international accounting standards. (International Financial Reporting Standard; IFRS) and FAP numbers of TAS and TFRS new arrangement with the IAS and IFRS.

* Note: the above information is from the website
http://www.dbd.go.th/index_answer.php?wcad=4&wtid=4053705&t=2&filename=

6. Describe:

The significant accounting policies that govern your system of accounting, in particular:

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

	Valuation Method
Raw Material	Weighted average
Work-in-process	Weighted average
Finished good	Weighted average

- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

Samchai's cost allocation is as per below:

For raw materials, Samchai records the cost of raw materials using the basis of kilograms.

For the cost of production, including the utility cost, the depreciation cost, the direct labor cost, the facility cost, and the maintenance cost, Samchai records on the basis of products' types and sizes.

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

The damaged goods occurred during the production stage are down graded to Grade B goods. These damaged goods are sold to end user as Grade B or Grade C products. The price set for Grade B or Grade C products depends on production cost.

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

Samchai's valuation method for scrap and losses is based on the announcement of the Customs Department for Bonded Warehouse. The valuation method was controlled by the Customs Department according to the production formula that Samchai supplies. This method is used for both domestic and export sales.

- valuation and revaluation methods for fixed assets;

NON-CONFIDENTIAL VERSION

The valuation and revaluation of the fixed assets is conducted by using the purchase price minus depreciation which is calculated using the Straight line method.

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

The average useful life and depreciation method and rate used are as follows:

Production equipment	Location	Useful life (Years)	Depreciation method	Rate
Building & Construction	Mahachai, Poochao	20	Straight line	5%
Machine	Mahachai, Poochao	20	Straight line	5%
Machine 18 ”	Mahachai	50	Straight line	2%
Furniture & Office Equipment	Mahachai, Poochao	5	Straight line	20%
Vehicle	Mahachai, Poochao	5	Straight line	20%
Computer	Mahachai, Poochao	3	Straight line	33.33%

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

No information

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

At the end of the accounting period, Samchai uses the exchange rate published by the Bank of Thailand (BoT) to calculate the gains/losses arising from the transactions on the balance sheet. Samchai then records the gains/losses on the income statement.

- inclusion of general expenses and/or interest;

Accrual basis

NON-CONFIDENTIAL VERSION

- provisions for bad or doubtful debts;

Samchai follows the provisions for bad or doubtful debts as according to the "Thai Revenue Department". The debtor who has been warned at least three times, the Accounting Department will set such transaction as the doubtful debt in their accounting book. Hence the record will be as follow;

- Accrual within 1 year will result in a 50% doubtful debts account.
- Accrual due over 1 year will result in a 100% doubtful debts account.

Doubtful debts

Dr. Doubtful debt.

Cr. Reserve for doubtful debt.

After the case had been concluded at the court level, the accrual will be accounted as Bad Debt.

Bad debts

Dr. Bad debt.

Cr. Doubtful debt.

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

Not applicable

- costs of plant closure;

Not applicable

- restructuring costs;

Not applicable

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

Please refer to the answer for the "Question 6 - Valuation methods for scrap, by products, or joint products".

- effects of inflation on financial statement information.

Not applicable

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

Not applicable

A-5 Income statement

Complete the spreadsheet entitled '**Income statement**' within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

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

Explain how costs have been allocated between all products and the GUC within these calculations.

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

All GUC costs are accumulated into the main Spread sheets, balance sheets etc. In order to calculate the actual GUC costs, the information must be taken out from the main balance sheets.

Please see the spreadsheet "Income statement"

A-6 Sales

Complete the spreadsheet entitled '**Turnover**' within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

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

Please see the spreadsheet "Turn over"

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In this document “Samchai Steel Industries Public Company Limited” is hereby known as “Samchai” , [REDACTED]
[REDACTED]
[REDACTED]”

SECTION B – SALES TO AUSTRALIA (EXPORT PRICE)

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

B-2 For each customer identified in B1 please provide the following information.

(a) Describe how the GUC are sent to each customer in Australia, including a diagram if required.

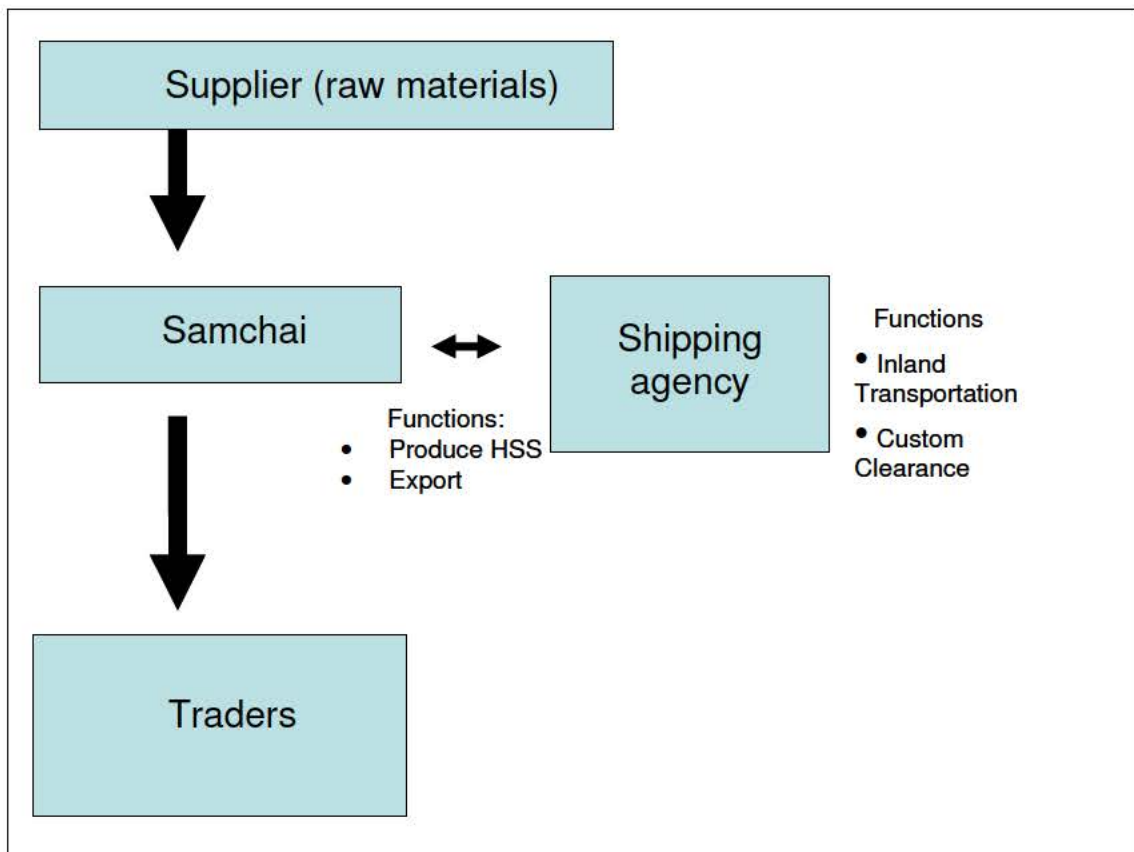
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All GUC shipments made from Samchai to Australia are via Ocean Transportations, for example, Containers and Break Bulk service. The below are steps of the shipment processes.

1. - The GUC are loaded onto the containers (or truck) at Samchai's warehouse.
2. - The containers depart Samchai's warehouse heading to Thailand's main port. For example, Sri Racha, Maptaput, Laem Chabang.
3. - The containers are loaded onto the deck of the vessel.
4. - The vessels depart Thailand heading for Australia. The destination port depends on the agreement (Sales Contract / Order).

- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

The diagram below shows the stages of each party in the distribution chain. The payment term between [customer's name] and Samchai is agreed on a Letter of Credits basis, the expenses including the shipping charges are pre-paid by Samchai.



There are no commissions paid because these Traders are the purchasers. However, the pre exportation expenses are accounted for the shipping agency on the transportation expense occurred during the time of shipment.

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

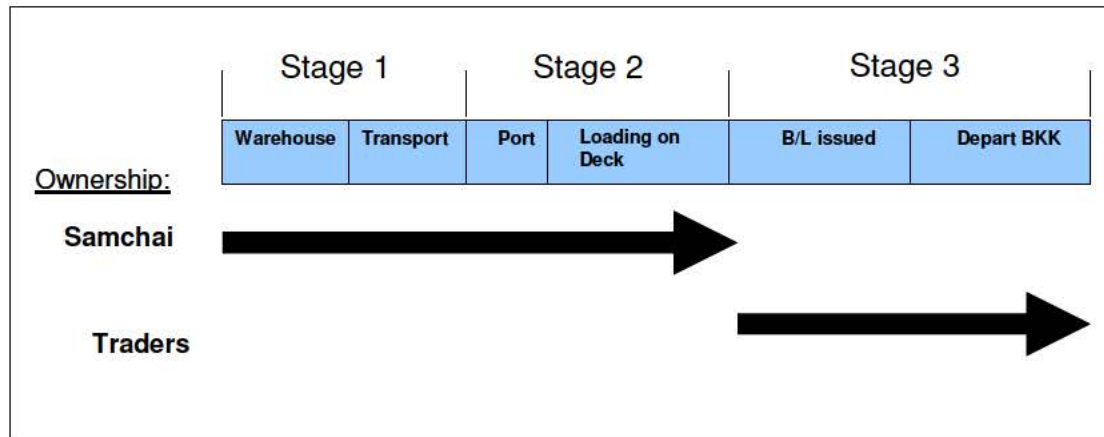
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The below are the stages of GUC ownership in the Distribution Chain. Please note that the purchasing term is based on FOB basis.

Stage 1. – Finished GUC / Ownership belongs to Samchai.

Stage 2. – GUC arriving at the departing port (Thailand) / Ownership belongs to Samchai

Stage 3. – The B/L has been issued (or the GUC are loaded on the deck of the vessel) / Ownership belongs to [REDACTED]



- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

[REDACTED] are the agency (Trading) / partner of Samchai for the Australian Market. However, there are no agreements apart from the Sales Contract on every purchase. However, These traders are known to be Samchai's representative in the market.

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

The prices are negotiated through emails. Once the prices are acceptable by both parties, Customers will issue the Purchasing Order (PO) while Samchai will issue the Sales Contract and duly signed.

Once the products are ready for shipment, Customers will arrange the available vessels. Meanwhile, Samchai will issue all shipping documents (Invoice, Packing lists, Mill's certificates etc.).

The payment is agreed upon L/C. Thus, all shipping documents including the B/L must be presented to the bank. Samchai will receive the payment approximately 10 days after the date ETD.

There is no price lists for export market.

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

There is no relationship between the Samchai and Australian customers. The only export channel is through Traders who are our trading partner. Samchai is not related to traders in any field.

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

There are no forward orders between traders and Samchai. The purchases are agreed depend on the price and the demand during the specific period.

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Samchai has only one selling channel into Australian markets is through three customers. Therefore, the prices do not varied through different distribution channels.

- B-4** Complete the spreadsheet entitled '**Australian sales**' within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

EXCEL SPREADSHEET "**AUSTRALIAN SALES**"

- B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column within the 'Australian sales' spreadsheet (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

There is no selling expenses (direct or indirect).

- B-6** For each type of discount, rebate, or allowance offered on export sales to Australia:

There is no Discount, Rebate or Allowance.

NON-CONFIDENTIAL VERSION

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

There is no credit note on any particular shipments, as all the payments are done by L/C.

- B-8** If the delivery terms make you responsible for arrival of the GUC at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

There is no import duty as according to the benefit from the Free Trade Agreement (FTA). Therefore, the Australian's importer does not need to pay any import duty.

There is no inland transportation (within Australia) cost included in the purchase term, Free on Board (FOB) – Thailand ports.

Other costs such as port charges, customs and border protection in Australia are on [REDACTED] account.

- B-9** Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale.

Documents will be attached

SECTION C – EXPORTED GOODS AND LIKE GOODS

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

The Description of GUC exported to Australia is as follow.

STANDARD	GRADE / CLASS	DESCRIPTION	APPLICATION
AS1074 : 1989	EXTRA LIGHT (XL)	(ERW) CIRCULAR HOLLOW SECTION STEEL PIPE	WATER & GENERAL USAGE
	LIGHT (L)		
	MEDIUM (M)		
	HEAVY (H)		
AS1163 : 2009	C250	(ERW) SQUARE AND RECTANGULAR HOLLOW SECTION STEEL PIPE	CONSTRUCTION USAGE

The above products are plain steel pipes. These can be finished with different Coatings. Please see the chart below for coating types.

CODE (INTERNAL)	COATING TYPE
GPE	HOT DIPPED GALVANIZED COATING
VPE	PAINTED (PRIME) COATING
BPE	BLACK PAINTED COATING (LIGHTLY OILED)

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

EXCEL SPREADSHEET “**AUSTRALIAN SALES**”

C-3 If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the

differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to the GUC exported to Australia.

EXCEL SPREADSHEET “*LIKE GOODS*”

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the GUC that your company sells on the domestic market.

The products are classified into the following categories.

- Structural (Construction) application
- Water and General Application
- Furniture and Mechanical Structural Application

Each category has different finishes (Coating) as follow.

- Black (Plain) Steel pipe
- Painted Steel pipe
- Hot dip Galvanized Steel pipe

The GUC export to Australia is under the Water & General and Structural Application. Please see below for the Standard Specification for each of the categories.

STANDARD SPECIFICATION

Water & General Application

Standard	Classification	Grade	Mechanical Properties			Chemical Composition %					Tolerance		Hydrostatic Test
			Tensile Strength Min. Mpa.	Yield Strength Min. Mpa.	Elongation Min. %	C Max. %	Si Max. %	Mn Max. %	P Max. %	S Max. %	Outside Diameter	Wall Thickness	
Commercial	E.R.W. Carbon Steel Tube	Class A1	320-460	-	20	0.20	-	1.20	0.045	0.045	see table	± 15%	50 Bar/ 5 sec.
	Welded Steel Tubes	Class M	320-460	195	20	0.20	-	1.20	0.045	0.045			
BS 1387 : 1985	Steel Tubes Medium Weight suitable for screwing	Light	320-460	195	20	0.20	-	1.20	0.045	0.045	see table	+ Not Limit, - 8%	50 Bar/ 5 sec.
		Medium	320-460	195	20	0.20	-	1.20	0.045	0.045		+ Not Limit, - 10%	
		Heavy	320-460	195	20	0.20	-	1.20	0.045	0.045		+ Not Limit, - 10%	
DIN 2440 / 2444	Carbon Steel Pipes for Ordinary Piping	ST33-2	340-510	235	11-18	0.17	0.55	1.60	0.050	0.050	see table	-12.5%	50 Bar/ 5 sec.
JIS G3452 : 1997	Carbon Steel Pipes for Ordinary Piping	SGP	290	-	30	-	-	-	0.040	0.040	≤ 40 mm; ± 0.5 mm, ≥ 50 - 125 mm; ± 1% ≥ 150 - 175 mm; ± 1.6% ≥ 200 mm; ± 0.8%	+ Not Limit - 12.5%	2.5 Mpa
TIS 276 & 277 - 2532	Steel Pipe & Galvanized Steel Pipe	TYPE 2	320	-	20	-	-	-	-	-	See Table	-12.5%	5 Mpa/ 5 sec.
		TYPE 4	320	-	20	-	-	-	-	-			
ASTM A 53	Pipe, Steel, Black and Hot-Dipped, Zinc-Coated, Welded	Grade A	330	205	-	0.25	-	0.95	0.050	0.045	≤ 1.1/2" ; ± 0.4 mm.	-12.5%	See Table
		Grade B	415	240	-	0.30	-	1.20	0.050	0.045	> 2" ; ± 1%		

STANDARD SPECIFICATION

Structural Application

Standard	Classification	Grade	Mechanical Properties			Chemical Composition %					Tolerance	
			Tensile Strength Min. Mpa.	Yield Strength Min. Mpa.	Elongation Min %	C Max. %	Si Max. %	Mn Max. %	P Max. %	S Max. %	Outside Diameter	Wall Thickness
Commercial TIS 107	Black Steel Pipes / E.R.W./ BPE / BLY	SAMCHAI	320	195	20	0.20	-	1.20	0.045	0.045	± 1%	+ Unlimit, - 12.5%
	Round Pipe	HS 41	402	235	23	0.28	-	-	0.048	0.048	≤ 50 mm.; ± 0.5 mm.	2.0 - 3.2 mm.; ± 0.3 mm.
		HS 50	490	314	23	0.21	0.57	1.53	0.048	0.048	> 50 mm.; ± 1%	4.0 - 8.0 mm.; ± 10%
TIS 107	Square Pipe and Rectangular Pipe	HS 51	500	353	15	0.33	0.37	0.33-1.03	0.048	0.048		
		HS 41	402	235	23	0.28	-	-	0.048	0.048	≤ 100 mm.; ± 1.5 mm.	2.0 - 3.2 mm.; ± 0.3 mm.
JIS G 3444	E.R.W. Carbon Steel Tube For General Structure	HS 50	490	314	23	0.21	0.57	1.53	0.048	0.048	> 100 mm.; ± 1.5%	4.0 - 12.0 mm.; ± 10%
		STK 290	290	-	30	-	-	-	0.050	0.050	Class1, Under 50 mm.; ± 0.5 mm.	Class1, <4mm.; +0.6, -0.5mm.
		STK 400	400	235	23	0.25	-	-	0.040	0.040	50 mm. or over; ± 1%	4-12mm.; +15%, -12.5%
		STK 490	490	315	23	0.18	0.55	1.50	0.040	0.040	Class2, Under 50 mm.; ± 0.25mm.	>12mm.; +15%, -1.5mm.
JIS G 3466	Carbon Steel Square Tube For General Structure	STK 500	500	355	15	0.24	0.35	0.30-1.30	0.040	0.040	50 mm. or over; ± 0.5%	Class2, <3mm. ± 0.3mm.
		STK 540	540	390	20	0.23	0.55	1.50	0.040	0.040		3-12mm.; ± 10%
DIN 2395	Rectangular and Square Welded Steel Hollow Section	STKR 400	400	245	23	0.25	-	-	0.040	0.040	100mm. or under; ± 1.5mm.	Under 3 mm.; ± 0.3 mm.
		STKR 490	490	325	23	0.18	0.55	1.50	0.040	0.040	Over 100 mm.; ± 1.5%	3 mm. or over; ± 10%
		St 33	290-540	185	17	-	-	-	-	-		
BS 6393	Welded cold formed Steel Structure Hollow Section	RSt 37-2	360-470	235	21	0.20	-	-	0.050	0.050	See Table	± 10% (max. 0.35 mm.)
		St 52.3	490-630	355	20	1.20	-	-	0.040	0.040		
		34/26	340	260	12	0.16	-	1.20	0.050	0.050		
ASTM A500	Cold-Formed Welded Carbon Steel Structure Tubing in Round	43/36	430	360	10	0.20	0.40	1.20	0.050	0.050	± 0.75% / min ± 0.4 mm.	≤ 3 mm.; ± 10%
		50/45	500	450	8	0.23	0.40	1.20	0.050	0.050		> 3 mm.; ± 8%
		Grade A	310	228	25	0.30	-	-	0.045	0.045	≤ 48.3 mm.; ± 0.5%	± 10%
		Grade B	400	290	23	0.30	-	-	0.045	0.045	≥ 50.8 mm.; ± 0.75%	
ASTM A500	Square Tube and Rectangular Tube	Grade C	427	317	21	0.27	-	1.40	0.045	0.045		
		Grade D	400	250	23	0.30	-	-	0.045	0.045		
		Grade A	310	269	25	0.30	-	-	0.045	0.045	≤ 63.5 mm.; ± 0.51mm.	± 10%
		Grade B	400	317	23	0.30	-	-	0.045	0.045	> 63.5-88.9 mm.; ± 0.64mm.	
EN 10219	Cold Formed Welded Structural Hollow Section of Non-alloy and Fine Grain Steels	Grade C	427	345	21	0.27	-	1.40	0.045	0.045	> 88.9-139.7mm.; ± 0.76mm.	
		Grade D	400	250	23	0.30	-	-	0.045	0.045	> 139.7 mm.; ± 1%	
		S 235 JRH	340-510	235	24	0.17	-	1.40	0.040	0.040		
		S 275 J0H	410-580	275	20	0.20	-	1.50	0.035	0.035	± 1% / min. ± 0.5 mm.	+ Not Limit, - 10%
		S 275 J2H	410-580	275	20	0.20	-	1.50	0.030	0.030	max. ± 10 mm.	
AS 1163	Structural Steel Hollow Section for Australian Standard	S 355 J0H	490-630	355	20	0.22	0.55	1.60	0.035	0.035		
		S 355 J2H	490-630	355	20	0.22	0.55	1.60	0.030	0.030		
		C 250	320	250	22	0.12	0.05	0.5	0.04	0.03		
		C 250 LO	320	250	22	0.12	0.05	0.5	0.04	0.03		
		C 350	430	350	20	0.2	0.25	1.6	0.04	0.03	≤ 50 mm.; + 0.4 / - 0.8 mm.	± 10%
TIS 1228	Lip Channel Steel	C 350 LO	430	350	20	0.2	0.25	1.6	0.04	0.03	> 50 mm.; ± 0.01 d	
		C 450	500	450	16	0.2	0.45	1.6	0.04	0.03		
		C 450 LO	500	450	16	0.2	0.45	1.6	0.04	0.03		
		SSC 400	400-540	245	21	0.25	-	-	0.050	0.050	A and B = ± 1.5 mm. C = ± 2.0 mm. H; < 150 mm. = ± 1.5 mm. H; 150-300 mm. = ± 2.0 mm.	1.6 mm. = ± 0.22 mm. 2.3 mm. = ± 0.25 mm. 2.8 mm. = ± 0.28 mm. 3.2 mm. = ± 0.30 mm.
BS 1139	Metal Scaffolding	Type 4	340-480	235	24	0.20	0.30	-	0.050	0.050	± 0.5 mm.	- 10%

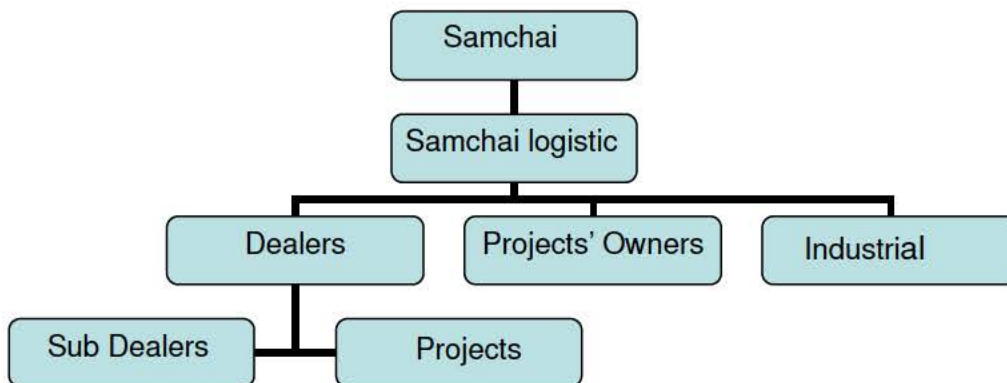
SECTION D – DOMESTIC SALES

D-1 Provide:

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

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

Distribution channels from our mill to domestic customers



- Samchai manufactures and sells steel pipes.
- Samchai Logistic delivers its pipes to the customers who are the dealers and the projects' owners.

Samchai don't have long-term contracts between Dealers and projects' owners However, using the specification method in vendor list

D-2 Do your domestic selling prices vary according to the distribution channel

identified? If so, provide details. Describe the effect, if any, that association has upon the price.

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- The domestic selling price to the dealers is cheaper than to the projects' owners. This is because the dealers normally purchase in big lots under cash payment term.

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

- **The way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the term of the sales;**
- **Whether price includes the cost of delivery to customer.**

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

Stage 1

The price lists are given to all the domestic salespeople. Validity of these price lists depend on the current market price. The price guidelines to quote to the customers are on the basis of payment term and quantity.

Stage 2

Base on the enquiry received from the customers, Samchai's salesperson sends in the quotation containing the product type, size, price, quantity, delivery period, validity, and payment term.

Stage 3

The customer confirms the purchase order with Samchai.

Stage 4

Base on the purchase order, the production order is issued to the production department. When the goods are ready, the logistic department will deliver them to the agreed destination according to the customers' confirmation.

Stage 5

In case of selling in credit terms, the invoice will be issued and sent out to the customers as agreed in the purchase order or the sales contract.

Stage 6

The selling price includes the transportation cost within Bangkok areas. For the areas outside Bangkok, Samchai outsource to the third party logistics company. As such, additional transportation charge will be added.

Please find the copy of the price list titled 'price list' as per attached.

D-4 Complete the spreadsheet entitled 'Domestic sales' within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

Please find the spreadsheet titled 'Domestic Sales' as per attached.

D-5 If there are other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item

There is no other cost, charge or expense incurred which are not identified in the table in question D-4.

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

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

Commission

- There is no commission at all.

Discount

- Given depends on the volume.
- Customers who purchase regularly.

Rebate

- There is no rebate given.

Allowance offered

- There is no allowance offered to domestic sales.

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

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

- Purchase order
- Order acceptance
- Commercial invoice

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- **Discounts or rebate applicable**
- **Credit/debit notes**
- **Long or short term contract of sales**
- **Inland freight contract**
- **Bank documentation showing proof of payment**

Please find two complete set of documentation for those two sales as per attached.

SECTION E – FAIR COMPARISON

SECTION E -1 – COSTS ASSOCIATED WITH EXPORT SALES

1. Transportation

All purchases between traders are based on FOB (Thailand) basis. In such arrangement, There have to arrange the vessel or the containers to pick up the GUC at Samchai’s warehouse.

The Inland Transportation costs obtained in EXCEL SPREADSHEET “SALES TO AUSTRALIA” are calculated based on the actual transportation (Truck) from Samchai’s warehouse to the departing port (Thailand). The trucks are outsourced to the Shipping Agency who arranges the containers pick-up.

2. Handling, loading and ancillary expenses

The purchase made is in the term of FOB (Thailand), Samchai is responsible for all inland transportation costs from the warehouse to the departing port. The handling and the loading operations are outsourced to Samchai’s shipping agency.

For Example,

Handling, Loading and Ancillary expenses occurred for “INVOICE No. 14SAM/0021” are THB 20,584. This includes the following costs.

- Terminal handling
- Wharfage and other port charges
- Document fees and customs brokers fees
- Other ancillary charges.

3. Credit

The payment terms on every purchase are under L/C. Therefore, there is no credit terms involved on any of purchase between Samchai and [REDACTED]

4. Packing costs

The Export packing method is different from the method of Domestic packing. The table below shows the difference as per mentioned.

EXPORT PACKING MATERIALS	DOMESTIC PACKING MATERIALS
Polystyrene wrapping	3 straps (Blue steel)
Two pre-slung	
10 straps (Blue steel)	



Example of export's packing

Expenses and Labor costs

The costs of the Export packing consist of the following:

- Labor costs
- Polystyrene wrapping (Material)
- Pre-slung (Material)
- Blue steel straps (Material)

The packing costs depend on the size and No. of pieces in each bundle.

5. Commissions

There is no commission paid in relation to the export sales to Australia.

6. Warranties, guarantees, and after sales services

There are no warranties, guarantees and after sales services.

7. Other factors

Other costs which may occurred are the salesmen's travel expenses, salesman's salaries. However, the costs are accumulated into the overall (Domestic and Export) account. Therefore, we do not have information in different sales details.

8. Currency conversions

The currency used for every purchase is in US dollars under the L/C payment term.

Samchai does not fix the exchange rates as the time of shipment may vary depending on the production.

The currency conversions (the exchange rate) depend on the period of shipment. Once all the shipping documents have been submitted to the bank, it takes approximately 10 days before our advising bank collect the payment from customers advising bank. Samchai can either purchase a forward option to fix the exchange rate or wait until the negotiation date to book the spot exchange rate.

E-2. Costs Associated with Domestic Sales

1. Physical Characteristics

Samchai has three kinds of product that export to Australia. The table below shows the differences in both physical characteristics and value of products sold domestic and international:

Models	Physical Difference	Value Difference
Black Steel Pipe	Same physical characteristics. The only difference is the length.	Not Applicable
Painted Steel Pipe	Same physical characteristics. The only difference is the length.	Not Applicable
Galvanized Steel Pipe	Same physical characteristics. The only difference is the length.	Not Applicable

There are no differences in such quality, chemical composition, structure, or design to those GUC sold domestic and exports. However, the standard length in Thailand and Australia is different. Therefore, the only different is the length. (Thai = 6.00 m, Australia = 6.50 m)

- **Black Steel Pipe**

The Black Steel Pipe is the first finish goods that Samchai will get after the forming process. Samchai exports only round steel pipe to Australia.

- **Black Painted Steel Pipe**

The Black Painted Steel Pipe is the finish goods after the painting process on Black Steel Pipe.

- **Hot Dip Galvanized Steel Pipe**

The Hot Dip Galvanized Steel Pipe is the finish goods after dipping Black Steel Pipe with the zinc.

2. Import Charges and Indirect Taxes

Under the Thailand-Australia Free Trade Agreement (TAFTA), importer in Australia can import goods that are under the conditions without import tax. The products of Samchai that export to Australia are under the TAFTA's conditions. So, there are no import charges and indirect taxes for transaction between Samchai and Australia.

For domestic sales, there is value added tax (VAT) of 7% on every sale. In contrast, there is VAT included in every purchase. Therefore, The VAT added is compensating through sales and purchasing.

3. Level of Trade

In domestic market, Samchai has three level of trade that can classify as the followings:

- **Project Customers**

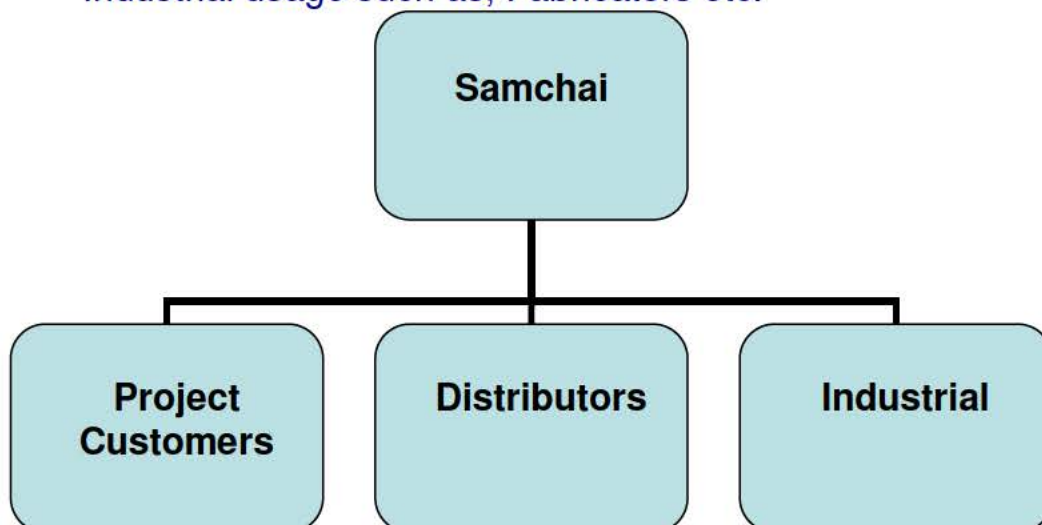
Contractors

- **Distributors**

Stockists (Dealer)

- **Industrial**

Industrial usage such as, Fabricators etc.



4. Credit

Samchai does not have an extending credit cost even if we provide both cash and credit sales for domestic customer. Due to the limit under the law that does not allow any company except commercial bank to collect interest rate, Samchai does not charge any interest on domestic customer. However, the selling price in credit will higher than the selling price in cash for an opportunity cost of issuing credit to domestic customer instead of cash sales.

5. Transportation/ Handling, loading and ancillary expenses

Samchai records inland transportation costs as a delivery expenses / handling, loading, and ancillary expenses into handling expenses in production costs for domestic customer in Income Statement quarter by quarter.

6. Packing

Samchai does not record any packing expenses in our accounting system.

7. Commissions

There is no commission paid for domestic sales.

8. Warranties, guarantees, and after sales services

Samchai does not provide any warranties, guarantees, and after sales services for domestic selling. So, there are no costs incurred.

9. Other Factors

Not applicable

SECTION F – THIRD COUNTRY EXPORTS

- F-1** Complete the spreadsheet entitled ‘**Third country sales**’ within the *HSS Exporter Questionnaire – THAILAND – accompanying spreadsheet* provided alongside this questionnaire.

Please see the spreadsheets “Third country sales”

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

- Within the investigation period, products exported to Myanmar (third country) is Hot Dipped Galvanized Steel Pipe.
- Within the investigation period, products exported to Australia are Black Steel Pipe, Black Painted Steel Pipe and Hot Dipped Galvanized Steel Pipe.
- The difference are length, product standards, sizes and marking
Therefore, there are no effects on the sales of third country to export sales to Australia.

SECTION G – COSTS AND CONSTRUCTED NORMAL VALUE

G-1. Production Process and Capacity

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

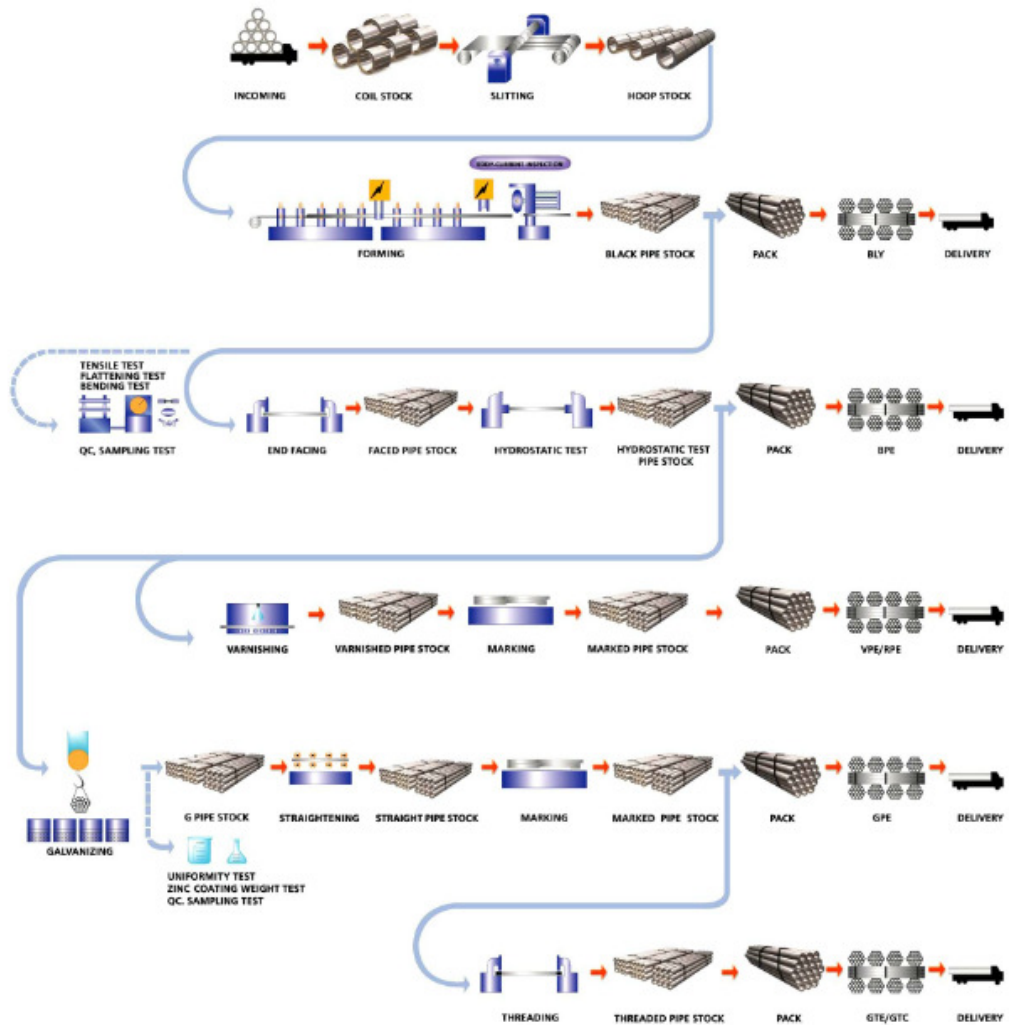
Samchai's production processes consist of the following major stages.

- 1.1) Select the HRC.
- 1.2) The HRC is inserted into Silting machine to cut into different width (Coil Hoop).
- 1.3) Coil Hoop is inserted into the forming machine which forms the flat steel sheets into GUC.
- 1.4) GUC are cut into different lengths according to the specific orders. (At the end of the forming process)
- 1.5) Finish GUC from the forming process is "Black (Plain) steel pipe". However, these GUC can be finished with different coatings such as, painted, Galvanized.

Please see below for production flow chart.

Scarps which are obtained form all production processes are stored and sold as scrap metals to the domestics' metal suppliers. Please refer to Section – A4, Question 6, for the percentage material losses during the stages of production.

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2. Please see the spreadsheet entitled “Production”

G-2. Cost Accounting Practices

1. Outline the management accounting system that you maintain and explain how that cost accounting information reconciled to your audited financial statements.

Samchai maintains the management accounting system issued by The Federation of Accounting Professions Thailand that pertaining to the adoption of the accounting standards (Revised 2009), financial reporting standards (Revised 2009) and interpretation of financial reporting standards, total 32 standards divided into 25 standards that have already implemented which modified number to matched for corresponding International Accounting Standards.

- 2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (i.e. different between standard and actual production costs) have been allocated to the GUC – and describe how those variances have been allocated.**

Samchai's cost accounting system does not base on standard costs. We do not use variance analysis in our cost accounting.

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

Samchai does not use variance analysis in cost accounting system. Therefore, there is no information available about cost variance.

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

Samchai does not have any section that is treated as a separate business to create profit individually and separately from the main organization. Thus, we do not have profit centre and cost centre in the company's cost accounting system.

- 5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the GUC. In particular specify how, and over what period, expenses are amortized or depreciated, and how allowances are made for capital expenditures and other development costs.**

There is no information available regarding profit centre and cost centre.

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

Samchai's cost accounting system records production costs based on types of products.

- Steel pipe (1/2" – 6") / small
(8" to 18") / large
- Square pipe (25mm x 25mm to 125mm x 125mm) / small
(150mm x 150mm x 350mm x 350mm) / large
- Rectangular pipe (50mm x 25mm to 125mm x 75mm) /small
(150mm x 50mm to 300mm x 200mm) / large
- Painted pipes (small / large)
- Galvanized (small / large)

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

There are six types of production costs incurred by Samchai that values differently in cost accounting from financial accounting are as follows

- Raw Material:

Samchai has three types of raw materials; hot rolled steel in coils, cold rolled steel in coils, and zinc that might use in production process for different purpose.

- Salary and Wages in Production Department:

Salary and wages which Samchai pays to workers in the production department is included in the production cost.

- Repair & Maintenance:

Repair and maintenance are cost that comes from repairing and maintenance machine in the factory.

- Depreciation on factories and equipments:

Costs that occurred during the period of machines usage and factory opening.

- Utilities:

All electricity and water costs used to run all the productions and office works.

- Other Expenses:

For example: Insurances, over time costs, bonus etc.

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

Samchai does not engage in any start-up operations in relation to the GUC. Samchai mostly focuses on domestic sales rather than export. Therefore, there is no Start up cost related to Export sales as all of the costs are on the Domestic account.

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

Samchai registered in the Stock Exchange Market of Thailand since September 2004. However, Samchai established under the name 'Samchai Holding Public Company' in December 1996 with registered capital 10,000,000 baht and increased to 400,000,000 baht in October 1997. Now,,Samchai Steel Industries Public Company Limited has an authorized capital of 1,045 million Baht.

**G-3. Cost to Make and Sell on Domestic Market
Available in spreadsheet**

**G-4. Cost to Make and Sell GUC (Australian Exports)
Available in spreadsheet**

G-5. Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

There are cost difference between goods sold to the domestic market and those sold for export.

- **Packing Costs**

The packing requirements for export markets require full plastic wrappings (Polystyrene). While domestic packing does not require full wrapping. Please see below for the requirements.

EXPORT PACKING MATERIALS	DOMESTIC PACKING MATERIALS
Polystyrene wrapping	3 straps (Blue steel)
Two pre-slung	
10 straps (Blue steel)	

- **Transportation Costs**

The differences are the processes performed on the goods delivered. Export goods are delivered to the port which containers are outsourced. Moreover, the distance where the ports located is reasonably far. Meanwhile, the domestic goods are delivered within Bangkok area only.

- **Selling Costs**

Selling costs for the goods sells domestically and internationally are different. In export, Samchai need to pay for shipping fees, custom clearance, and etc.

G-6. Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

There is no difference between the costs shown and the costs as normally determined in accordance with Samchai's general accounting system. All the costs are centrally recorded at the accounting department. Samchai divides the costs into different departments.

Samchai does not employ standard costing methods in our accounting practice.

G-7. In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Samchai calculates the cost to manufacture and sell in term of weighted average (baht/kg). This method has been used ever since the start up of the company.

G-8. Major Raw Material Costs

1. Samchai has two kinds of raw materials that has relation to the GUC; Hot Rolled Steel in Coils and Zinc.

i) Hot Rolled Steel in Coils

For Hot Rolled Steel in Coils, Samchai orders from both local and foreign suppliers.

ii) Zinc

Samchai orders zinc which is the domestic supplier in Thailand. There are three types of zinc that Samchai purchases ;

- Special High Grade Zinc Ingot
- Zinc die-casting alloy
- Zinc Nickel.

Samchai uses the purchase price of raw material to calculate the selling price of finished products.

SECTION H – EXPORTER/PRODUCER’S DECLARATION

I hereby declare that Samchai Steel Industries Public Company Limited.

Did, during the period of investigation export the GUC and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : Mr. Varunchai Leekanchanakorn

Signature :.....

Position in Company : Managing Director

Date : 5 September 2014