



Exporter Questionnaire

Product: Rod in Coil

From: Indonesia Taiwan and Turkey

Period of Investigation: 1 January 2013 – 31 December 2013

Response due by: **6 June 2014**

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**Return completed
questionnaire to:**

Anti-Dumping Commission
Customs House
5 Constitution Avenue
Canberra ACT 2600

Attention: Director Operations 1

TABLE OF CONTENTS

TABLE OF CONTENTS2

GOODS UNDER CONSIDERATION.....4

INSTRUCTIONS.....ERROR! BOOKMARK NOT DEFINED.

SECTION A COMPANY STRUCTURE AND OPERATIONS5

A-1 IDENTITY AND COMMUNICATION.....5

A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION.....5

A-3 COMPANY INFORMATION6

A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION8

A-5 INCOME STATEMENT12

A-6 SALES.....14

SECTION B SALES TO AUSTRALIA (EXPORT PRICE)15

SECTION C EXPORTED GOODS & LIKE GOODS22

SECTION D DOMESTIC SALES.....24

SECTION E FAIR COMPARISON.....29

E-1 COSTS ASSOCIATED WITH EXPORT SALES30

1. *Transportation*.....30

2. *Handling, loading and ancillary expenses*.....30

3. *Credit*.....31

4. *Packing costs*.....31

5. *Commissions*.....31

6. *Warranties, guarantees, and after sales services*.....32

7. *Other factors*.....32

8. *Currency conversions*.....32

E-2 COSTS ASSOCIATED WITH DOMESTIC SALES32

1. *Physical characteristics*.....33

2. *Import charges and indirect taxes*.....33

3. *Level of trade*.....34

4. *Credit*.....35

5. *Transportation*.....36

6. *Handling, loading and ancillary expenses*.....37

7. *Packing*.....37

8. *Commissions*.....37

9. *Warranties, guarantees, and after sales services*.....37

10. *Other factors*.....38

E-3 DUPLICATION38

**SECTION F EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA
(THIRD COUNTRY SALES).....38**

SECTION G COSTING INFORMATION AND CONSTRUCTED VALUE40

PLEASE SPECIFY UNIT OF CURRENCY.....44

FOR PUBLIC RECORD

SECTION H EXPORTER'S DECLARATION47
POSITION IN.....47
SECTION I CHECKLIST48
APPENDIX GLOSSARY OF TERMS.....ERROR! BOOKMARK NOT DEFINED.

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices are **rod in coil**.

The goods are described as:

hot rolled rods in coils of steel, whether or not containing alloys, that have maximum cross sections that are less than 14mm.

The applicant provided further details as follows:

The goods covered by this application include all steel rods meeting the above description of the goods regardless of the particular grade or alloy content.

Goods excluded from this application include Deformed bar in coils and stainless steel in coils.

The goods are typically classified to subheadings 7213.91.00 (statistical code 44) and 7227.90.90 (statistical code 42) to Schedule 3 of the Customs Tariff Act 1995. The general rate of duty is currently 5%, however, Indonesia and Turkey are designated DCS countries and Taiwan is designated a DCT¹ country. The rate of duty for rod in coils exported to Australia from DCS and DCT designated countries is free.

¹ 'DCT' and 'DCS' are codes applied to classes of countries and places in relation to which special rates apply as specified in Parts 4 and 5 of Schedule 1 of the *Customs Tariff Act 1995*.

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:
Name: **Quintain Steel Co., LTD
Vincent Lin**
Position in the company: **Assistant Manager of Sale
Department I**
Address: **No.307-5, Sec. 2, Minsheng Rd.,
West Central District, Tainan City
700, Taiwan**
Telephone: **+886 6 2261919 ext 313**
Facsimile number: **+886 6 2266889**
E-mail address of contact person: **u9311010@quintain.com.tw**

Factory:
Address: **Kuan-Tien Plant
No.119-5, Nanbu, Guantian Dist.,
Tainan City 720, Taiwan**
Telephone: **+886 6 5790406 ext 24**
Facsimile number: **+886 6 5790422**
E-mail address of contact person: **[Yang-Wen Hsien,
u8607014@quintain.com.tw](mailto:Yang-Wen Hsien, u8607014@quintain.com.tw)**

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:
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.

Not Applicable

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.

The legal name of our business is Quintain Steel Co., LTD (“QSC” hereinafter). QSC is a publicly listed company limited by shares. We have no other business names.

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).

Please see the Table below regarding List of Shareholders of QSC. Note that the shareholding percentages are calculated as of 29th April, 2013.

Shareholder (in Chinese)	Shareholder (in English translation)	Percentage of Shareholding (%)
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]

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

QSC is not a subsidiary of any other companies. This question is Not Applicable.

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7

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

As responded in Q. A-3.3, this question is Not Applicable.

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

Reported as instructed. Please see the QSC-Exhibit A-3.5 [CONFIDENTIAL ATTACHMENT]. QSC is the parent company of [CONFIDENTIAL TEXT DELETED], [CONFIDENTIAL TEXT DELETED] and [CONFIDENTIAL TEXT DELETED], holding [CONFIDENTIAL TEXT DELETED] of shares, respectively.

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

Not Applicable. See the answer to A-3.3 above.

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

QSC is a producer of wire rods, founded in 1973. The main products include carbon steel wire, deformed bar in coil, spheroidised wire and galvanized wire.

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:

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

QSC produces and sells the goods to Australia and other countries as well as in the domestic market.

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

Please see Exhibit A-3.9 Company Organization Chart of QSC for QSC's internal structure.

Kuan-Tien Plant is the only production unit involving the manufacturing of goods under consideration ("GUC").

Sales Department I is the unit involving in domestic and export sales of the GUC.

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

Please refer to Exhibit A-3.10 [CONFIDENTIAL ATTACHMENT] for a brochure of QSC's business activities along with product catalogue.

A-4 General accounting/administration information

1. Indicate your accounting period.

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

2. Indicate the address where the company's financial records are held.

The accounting records are kept at 5F No. 307, Sec.2, Minsheng Rd., West Central District, Tainan City 70054, Taiwan.

3. Please 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;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration, and
- the company.

Please refer to Exhibit A- 4.3.a [CONFIDENTIAL ATTACHMENT].

For QSC's audited stand-alone and consolidated financial statements for 2012 and 2013, please refer to Exhibit A-4.3.b(1) and Exhibit A-4.3.b(2) [CONFIDENTIAL ATTACHMENT] with an English translation.

QSC's internal income statements for 2013, including the statements of four plants, are provided in Exhibit A-4.3.c [CONFIDENTIAL ATTACHMENT].

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 taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

This question is Not Applicable because QSC has audited financial statements enclosed.

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

No. QSC's accounting practices are consistent with the Generally Accepted Accounting Principles (GAAP) of Taiwan.

6. Describe:

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

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

QSC uses the weighted average method to value the inventory of raw materials, work-in-process, and finished goods in its cost accounting and financial accounting processes.

- 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);

QSC closes its books on a monthly basis. The costing is performed by process-costing method, and carried out per steel grades. Within the [CONFIDENTIAL TEXT DELETED], cost is tracked by different types of billet and cross section [CONFIDENTIAL TEXT DELETED].

In terms of the cost of raw material, billet, it is computed by actual consumption volume cost. The direct labour and manufacturing overhead are allocated by work hours. Please refer to Exhibit G-3.1 and G-4 [CONFIDENTIAL ATTACHMENT] for further details of cost records.

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

QSC allocates all production cost [CONFIDENTIAL TEXT DELETED]. Note that all of GUC sold are not damaged or sub-standard.

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

Actual consumption costs are borne [CONFIDENTIAL TEXT DELETED] by the valuation method as explained in the preceding answer. Scraps are valued by [CONFIDENTIAL TEXT DELETED].

Note that there is no by-product or joint product in the production of subject goods.

- valuation and revaluation methods for fixed assets;

The initial recognition of property, plant and equipment is at cost, which includes all costs necessary to get the asset ready for its intended use.

Property, plant and equipment under construction are recognized by subtracting the accumulated impairment losses from cost. Cost includes professional service charges and the borrowing cost that is consistent with capitalization. Such assets will fall under appropriate categories of property, plant and equipment and be subject to depreciation recognition when the assets are completed and reach expected operating status. Land is stated at cost or cost plus revaluation increment.

The gain and loss amount arising from the de-recognition of property, plant and equipment would be the difference between net disposal proceeds and the carrying amount of asset, and shall be recognized as current gain and loss.

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

Depreciation is calculated by the straight-line method over the service lives of equipment/assets ranged as follows:

- 1. buildings and improvement, 5 to 30 years;**
- 2. machinery and equipment, 2 to 20 years; and**
- 3. miscellaneous equipment, 2 to 25 years.**

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

The accounts of QSC are maintained in New Taiwan Dollars (“NTD”). The sales transactions denominated in foreign currencies are translated into NTD at the exchange rates applicable on the date of export declaration and published by the Customs Authority.

Exchange differences arising from receipt of payment and booked value are recognized in foreign exchange gain / loss account.

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

At the balance sheet date, foreign-currency monetary assets and liabilities are re-valued using the prevailing exchange rates of banks and the exchange differences are recognized in foreign exchange gain / or loss account.

- inclusion of general expenses and/or interest;

QSC does not capitalise general and administrative expenses.

Borrowing costs directly attributable to the acquisition, construction or production of fixed assets are capitalised as part of the cost of that asset.

- provisions for bad or doubtful debts;

An allowance for doubtful accounts is provided for on the basis of review of the collectability. QSC assesses the probability of collections by examining the aging analysis of the outstanding receivables and economic conditions of customers.

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

[CONFIDENTIAL TEXT DELETED].

- costs of plant closure;

[CONFIDENTIAL TEXT DELETED]

- restructuring costs;

[CONFIDENTIAL TEXT DELETED].

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

There is no by-product generated in the production of the subject goods.

Scraps generated in production are valued at [CONFIDENTIAL TEXT DELETED]. As for scraps of wire rod, they are treated as [CONFIDENTIAL TEXT DELETED].

- effects of inflation on financial statement information.

Not Applicable because Taiwan's inflation rate has been kept at very low level in the past years.

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.

No. QSC's accounting methods did not change during the last three years.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration ('*goods under consideration*' (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (specify)		Investigation period	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make				

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	Most recent completed financial year (specify)		Investigation period	
(9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12=13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spreadsheet named "**Income statement**".

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.

Please see Exhibit A-5 [CONFIDENTIAL ATTACHMENT] for QSC's income statement spreadsheet.

Note that the total cost to make of GUC is allocated [CONFIDENTIAL TEXT DELETED] For the selling expenses for the GUC, the direct selling expenses are reported on an actual basis, and the indirect selling expenses are reported [CONFIDENTIAL TEXT DELETED]. General and administrative expenses and financial expenses of GUC are [CONFIDENTIAL TEXT DELETED].

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "TURNOVER".

This information will be used to verify the cost allocations to the goods under consideration in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

Report as instructed. Please refer to Exhibit A-6 [CONFIDENTIAL ATTACHMENT] Turnover.

SECTION B SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex factory level.

The invoice date will normally be taken to be the date of sale.

If you consider

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

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

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

name;

address;

contact name and phone/fax number where known;

and

trade level (for example: distributor, wholesaler, retailer, end user, original equipment):

Please see the table below.

Name	[CONFIDENTIAL TEXT DELETED]
Address	[CONFIDENTIAL TEXT DELETED]
Contact name	[CONFIDENTIAL TEXT DELETED]
Phone number	[CONFIDENTIAL TEXT DELETED]
Email	[CONFIDENTIAL TEXT DELETED]
Fax	[CONFIDENTIAL TEXT DELETED]
Trade Level	[CONFIDENTIAL TEXT DELETED]

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

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

Please see Exhibit B-2.a [CONFIDENTIAL ATTACHMENT] for the

**flow chart indicating terms of sales to the Australian customer.
[CONFIDENTIAL TEXT DELETED].**

- (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.

Please see Exhibit B-2.a [CONFIDENTIAL ATTACHMENT] for the requested information. [CONFIDENTIAL TEXT DELETED].

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

During the IP, all sales to Australia are at [CONFIDENTIAL TEXT DELETED].

- (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).

[CONFIDENTIAL TEXT DELETED].

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment.

For Australia sales, the customer would [CONFIDENTIAL TEXT DELETED].

- (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).

QSC is not related to its Australian customer.

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

Report as instructed. Please see the table below for the further details.

YYYYMM	CONTRACT No.	Size/ Quantity(MT)	FOB VALUE (USD)	SHIPMENT
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]

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.

[CONFIDENTIAL TEXT DELETED].

B-4 Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period.

Indicate whether goods exported are sold on an actual or theoretical weight basis.

You must provide this list in electronic format. Include the following export related information:

Report as instructed. Please refer to Exhibit B-4 [CONFIDENTIAL ATTACHMENT] Australian Sales.

Column heading	Explanation
Customer name	names of your customers Reported as instructed.
Level of trade	the level of trade of your customers in Australia The only customer is an end-user.
Model/grade/type	commercial model/grade or type QSC reports grade in the field [4].
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your questionnaire response. QSC reports the product code, listed as [CONFIDENTIAL TEXT DELETED].
Invoice number	invoice number Reported as instructed.
Invoice date	invoice date Reported as instructed.

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Date of sale	refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date. QSC uses the[CONFIDENTIAL TEXT DELETED] as the date of sales.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale. [CONFIDENTIAL TEXT DELETED]
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms) Report as instructed. [CONFIDENTIAL TEXT DELETED].
Payment terms	agreed payment terms eg. 60 days=60 etc Report as instructed. [CONFIDENTIAL TEXT DELETED].
Quantity	Quantity in units shown on the invoice. Show basis eg kg. Report as instructed. The unit of measurement is Kg.
Gross invoice value	gross invoice value shown on invoice in the currency of sale, excluding taxes. Report as instructed.
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column. Report as instructed. [CONFIDENTIAL TEXT DELETED].
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description. [CONFIDENTIAL TEXT DELETED].
Invoice currency	the currency used on the invoice Report as instructed. The currency is NTD.
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system Report as instructed. [CONFIDENTIAL TEXT DELETED]
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system Report as instructed.
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale Report as instructed. [CONFIDENTIAL TEXT DELETED]
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount. Report as instructed. [CONFIDENTIAL TEXT DELETED]
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed. [CONFIDENTIAL TEXT DELETED]
Marine insurance	Amount of marine insurance [CONFIDENTIAL TEXT DELETED].
FOB export price**	the free on board price at the port of shipment. Report as instructed
Packing*	Packing expenses [CONFIDENTIAL TEXT DELETED]
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export. If the goods are not yet shipped, provide an estimate of inland freight.

	Report as instructed
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, container hire and stuffing charges, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country. Report as instructed
Warranty & guarantee expenses*	warranty & guarantee expenses [CONFIDENTIAL TEXT DELETED]
Technical assistance & other services*	expenses for after sale services. [CONFIDENTIAL TEXT DELETED]
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale. [CONFIDENTIAL TEXT DELETED]
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5. [CONFIDENTIAL TEXT DELETED]

** FOB export price and Ocean Freight:

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

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

Freight allocations must be checked for consistency.

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

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 (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.

[CONFIDENTIAL TEXT DELETED]

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

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

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

[CONFIDENTIAL TEXT DELETED]

- 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.

[CONFIDENTIAL TEXT DELETED].

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

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

[CONFIDENTIAL TEXT DELETED]

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

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

The Commission will select additional shipments for verification at the time of the visit.

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21

Please see Exhibits B-9.a [CONFIDENTIAL ATTACHMENT] and B-9.b [CONFIDENTIAL ATTACHMENT] for documentation relating to the following two selected shipments to Australia.

Exhibits B-9.a: [CONFIDENTIAL ATTACHMENT]

Exhibits B-9.b: [CONFIDENTIAL ATTACHMENT]

**SECTION C
EXPORTED GOODS & LIKE GOODS**

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

[CONFIDENTIAL TEXT DELETED].

Internal Code	Specification
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]

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).

As response to the question C-1, [CONFIDENTIAL TEXT DELETED] Exhibit B-4 [CONFIDENTIAL ATTACHMENT].

Internal (raw material) code	process	Cross section (mm)
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]
[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]	[CONFIDENTIAL TEXT DELETED]

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;

Please see Exhibit C-3 [CONFIDENTIAL ATTACHMENT] for "Like goods".

[CONFIDENTIAL TEXT DELETED].

FOR PUBLIC RECORD

- and provide a detailed explanation of the differences where those goods sold domestically (that is the like goods – see explanation in glossary) are not identical to the goods exported to Australia (for example):

EXPORTED MODEL	DOMESTIC MODEL	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

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

Please refer to the two sample mill test certificates provided with Attachment Exhibit C-4 [CONFIDENTIAL ATTACHMENT].

SECTION D DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

All domestic sales must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you must contact the case officer before completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements.

The Commission will normally take the invoice date as being the date of sale.

If, in response to question **B4** (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices the domestic sales covering the same period must be included.

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information The Commission requires for determining a normal value using alternative methods.

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

[CONFIDENTIAL TEXT DELETED].

Please refer to Exhibit D-1 [CONFIDENTIAL ATTACHMENT] Flowchart of Sale Terms and Pricing (Domestic Market).

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.

No applicable. QSC does not sell GUC to any affiliated parties.

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

As response to the question D-1, [CONFIDENTIAL TEXT DELETED].

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

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

[CONFIDENTIAL TEXT DELETED] Please see Exhibit D-1 [CONFIDENTIAL ATTACHMENT] for the flowchart indicating terms of sales to the domestic customers.

[CONFIDENTIAL TEXT DELETED]

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

[CONFIDENTIAL TEXT DELETED].

D-4 Indicate whether goods sold on the domestic market are sold on an actual or theoretical weight basis.

QSC's GUC sold on the domestic market are on actual weight basis.

D-5 Prepare a spreadsheet named "**DOMESTIC SALES**" listing **all** sales of like goods made during the investigation period. The listing must be provided on a computer disk. Include all of the following information:

Report as instructed. Please see Exhibit D-5 [CONFIDENTIAL ATTACHMENT] Domestic Sales.

DOMESTIC SALES

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name. Reported as instructed. QSC also adds customer number.
Level of trade	the level of trade of your domestic customer [CONFIDENTIAL TEXT DELETED]
Model/grade/type	commercial model/grade or type QSC reports model in [CONFIDENTIAL TEXT DELETED].
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your questionnaire response. QSC reports the product code, listed as [CONFIDENTIAL TEXT DELETED]
Invoice number	invoice number Report as instructed.
Invoice date	invoice date Report as instructed.
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date. Report as instructed. [CONFIDENTIAL TEXT DELETED].
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale. Report as instructed. [CONFIDENTIAL TEXT DELETED]
Delivery terms	eg ex factory, free on truck, delivered into store Report as instructed.
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc Report as instructed.
Quantity	quantity in units shown on the invoice eg kg. Report as instructed.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes. Report as instructed.
Discounts on the invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column. Report as instructed. [CONFIDENTIAL TEXT DELETED].
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description. Report as instructed. [CONFIDENTIAL TEXT DELETED]
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system Report as instructed. The currency is NTD.
Rebates or other	the actual amount of any deferred rebates or allowances in the currency of sale

allowances	Report as instructed.
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount. Report as instructed. [CONFIDENTIAL TEXT DELETED]
Packing*	packing expenses [CONFIDENTIAL TEXT DELETED].
Inland transportation costs*	amount of inland transportation costs included in the selling price. Report as instructed.
Handling, loading and ancillary expenses*	handling, loading & ancillary expenses. [CONFIDENTIAL TEXT DELETED].
Warranty & guarantee expenses*	warranty & guarantee expenses [CONFIDENTIAL TEXT DELETED].
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs. [CONFIDENTIAL TEXT DELETED].
Commissions*	commissions paid. If more than one type is paid insert additional columns of data. [CONFIDENTIAL TEXT DELETED].
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5. Not Applicable.

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

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above, add a column for each item (see "other factors"). For example, certain other selling expenses incurred.

There were no other costs, charges, or expenses incurred in respect of the sales listed in Exhibit D-5 [CONFIDENTIAL ATTACHMENT].

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

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

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

[CONFIDENTIAL TEXT DELETED].

- D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.

Report as instructed. Please refer to Exhibit D-7.a [CONFIDENTIAL ATTACHMENT] and Exhibit D-7.b [CONFIDENTIAL ATTACHMENT] for the sales documents of two selected domestic.

SECTION E FAIR COMPARISON

Section B sought information about the export prices to Australia, Section D sought information about prices on your domestic market for like goods (that is the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence The Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales').

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

QSC reports the inland freights on an actual basis, where the transportation cost incurred with each Australian sales. Where one inland freight payment covers more than one sales listed in Exhibit B-4 [CONFIDENTIAL ATTACHMENT] , the inland freight is allocated based on sales quantity.

The expense is booked in [CONFIDENTIAL TEXT DELETED].

Please refer to Exhibit B-4 [CONFIDENTIAL ATTACHMENT] Australian Sales as well as Exhibit B-9.a & b [CONFIDENTIAL ATTACHMENT] for the inland freight details.

2. Handling, loading and ancillary expenses

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

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

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

- other ancillary charges.

Handling, loading and ancillary expenses are based on actual expenses incurred with each export sale.

Brokerage expense, harbour service fee (charged by government) and loading fee are allocated by the quantity of GUC sales.

Trade promotion fee (charged by government) was reported on an actual basis, [CONFIDENTIAL TEXT DELETED]. The trade promotion fee is 0.04% of the FOB value of the export goods.

Please refer to Exhibit B-4 [CONFIDENTIAL ATTACHMENT] Australian Sales and Exhibit B-9.a & b [CONFIDENTIAL ATTACHMENT].

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, The Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales e.g. short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

[CONFIDENTIAL TEXT DELETED] reported in Exhibit B-4 [CONFIDENTIAL ATTACHMENT].

4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed 'Packing'.

[CONFIDENTIAL TEXT DELETED].

5. Commissions

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

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

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

[CONFIDENTIAL TEXT DELETED].

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED].

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

QSC does not claim other factors to adjust the export price.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

QSC does not claim currency conversion adjustment.

E-2 Costs associated with domestic sales

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

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

1. Physical characteristics

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

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

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

[CONFIDENTIAL TEXT DELETED].

Please also refer to Exhibit C-3 [CONFIDENTIAL ATTACHMENT] Like Goods.

2. Import charges and indirect taxes

If exports to Australia:

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

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

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

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

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;

- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

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

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

Exports to Australia is not subject any tax exemption or drawback. Thus, QSC does not claim such adjustment.

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

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

This requires the following information:

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

or

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

[CONFIDENTIAL TEXT DELETED].

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, The Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

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

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system², the average credit period may be determined as follows:

[CONFIDENTIAL TEXT DELETED].

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

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

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

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

[See response to Q. E-2.4 above.](#)

2. *Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

[See response to Q. E-2.4 above.](#)

5. **Transportation**

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

² Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

QSC reports the inland freights on an actual basis, [CONFIDENTIAL TEXT DELETED]. Where one inland freight payment covers more than one sales listed in Exhibit D-5 [CONFIDENTIAL ATTACHMENT], [CONFIDENTIAL TEXT DELETED]

6. Handling, loading and ancillary expenses

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

Not Applicable. QSC was not incurred with other selling expenses with respect to the domestic sales.

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

[CONFIDENTIAL TEXT DELETED] Please refer to the response to Question E-1.4 above.

8. Commissions

For any commissions paid in relation to the domestic sales:

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

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

[CONFIDENTIAL TEXT DELETED] Please refer to the response to Question E-1.5 above.

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED].

10. Other factors

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

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

QSC does not claim for other adjustments.

E-3 Duplication

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

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

Not Applicable. We did not duplicate calculation for any of the claims above.

Separate adjustment items must avoid duplication.

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

**SECTION F
EXPORT SALES TO COUNTRIES OTHER THAN
AUSTRALIA (THIRD COUNTRY SALES)**

Please complete Section F only if you would submit that it is appropriate for the Commission to determine normal values pursuant to section 269TAC(2)(d).

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Column heading	Explanation
Country	names of the country that you exported like goods to over the investigation period
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period
Level of trade	the level of trade that you export like goods to in the third country over the investigation period
Quantity	Indicate quantity in units exported to the third country by year and quarter over the investigation period
Unit of quantity	Show unit of quantity e.g. kg
Value of sales	Show total value of sales (at either FOB or ex-works) exported to the third country by year and quarter over the investigation period
Shipment terms	Typical shipment terms to customers in the third country (e.g. CIF, FOB, ex-works)
Currency	Currency in which you have expressed sales data
Payment terms	Typical payment terms with customer(s) in the country (e.g. 60 days)

Supply this information in spreadsheet file named "**THIRD COUNTRY**"

[CONFIDENTIAL TEXT DELETED] Please refer to Exhibit A-6 [CONFIDENTIAL ATTACHMENT] for further details.

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

[CONFIDENTIAL TEXT DELETED].

SECTION G
COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

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

You will need to provide the cost of production of both the exported goods (GUC) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

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

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

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

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.

Please refer to Exhibit G-1.1 [CONFIDENTIAL ATTACHMENT] Production Flow Chart.

2. Provide information about your company's total production in the following table:

	Previous financial year	Most recent financial year	Investigation period
A – Production capacity (eg kg, tonnes)*			
B – Actual production in volume (eg kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named " **Production**".

Please see Exhibit G-1.2 [CONFIDENTIAL ATTACHMENT] Production Capacity.

G-2. Cost accounting practices

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

[CONFIDENTIAL TEXT DELETED].

4. 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 (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

[CONFIDENTIAL TEXT DELETED].

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

[CONFIDENTIAL TEXT DELETED].

6. Describe the profit/cost centres in your company's cost accounting system.
[CONFIDENTIAL TEXT DELETED] Please refer to Exhibit G-2.6 [CONFIDENTIAL ATTACHMENT] List of Cost Centre.

7. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under investigation. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.
[CONFIDENTIAL TEXT DELETED]. See also the responses to the question A-4.6.

8. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.
In QSC's cost accounting system, [CONFIDENTIAL TEXT DELETED]. Please also refer to the response to the question A-4.6.

9. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.
[CONFIDENTIAL TEXT DELETED].

10. State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
[CONFIDENTIAL TEXT DELETED].

11. 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.
[CONFIDENTIAL TEXT DELETED].

G-3 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.³

³ Customs and Border protection applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO Anti-Dumping Agreement – see Article 2.2.1.

1. Please provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for **each month** corresponding to the relevant sales.

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

Please refer to Exhibit G-3.1 [CONFIDENTIAL ATTACHMENT] Domestic CTMS.

2. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

Please ensure non-operating expenses **that relate to the goods** under investigation are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Prepare this information in the spreadsheet named "**Domestic CTMS**".

Provide this information by month.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Please refer to Exhibit G-3.1 [CONFIDENTIAL ATTACHMENT] Domestic CTMS.

[CONFIDENTIAL TEXT DELETED].

Please see Exhibit G-3.3 [CONFIDENTIAL ATTACHMENT] Worksheet of SG & A Allocation for details.

- G-4** Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

Provide this cost data for **each month** corresponding to the relevant sales.

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

Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

Please ensure non-operating expenses **that relate to the GUC** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Prepare this information in the spreadsheet named "**Australian CTMS**".

Provide this information by month.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Report as instructed.

Please refer to Exhibit G-4[CONFIDENTIAL ATTACHMENT] Australian CTMS.

The methods of calculation are the same as those for domestic CTMS.

- 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.

As responded to the question C-1 and E-2.1, [CONFIDENTIAL TEXT DELETED]. Please refer to Exhibit G-5(a) [CONFIDENTIAL ATTACHMENT] Sample for Supplier by Chien Shun (Australian).

[CONFIDENTIAL TEXT DELETED].

To calculate the unit cost of raw material for the GUC sold in Australian market, QSC [CONFIDENTIAL TEXT DELETED].

QSC calculated monthly weighted average [CONFIDENTIAL TEXT DELETED].

Then QSC multiplied the unit consumption value [CONFIDENTIAL TEXT DELETED].

[CONFIDENTIAL TEXT DELETED]

Please refer to Exhibit G-5(b) [CONFIDENTIAL TEXT DELETED] Consumption list of Chien Shun's Billet for Australian Sales for the unit cost of consumption of the raw material.

QSC submitted that, [CONFIDENTIAL TEXT DELETED].

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

Please refer to the response to Question G-5 above. [CONFIDENTIAL TEXT DELETED].

- 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.

Please refer to the response to Question G-5 above.

- G-8** Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost. For these major inputs:

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

Where the major input is produced by an associate of your company The Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the Customs Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

Reported as instructed.

For QSC, [CONFIDENTIAL TEXT DELETED].

Note that none of raw materials are provided/ supplied by related parties.

QSC recorded the actual purchase costs as the raw material costs, including all concerned expenses.

SECTION H EXPORTER'S DECLARATION

I hereby declare that.....(company) did, during the period of investigation export the goods under investigation and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this questionnaire response is complete and correct to the best of my knowledge and belief.

I hereby declare that.....(company) did not, during the period of investigation export the goods under investigation and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this questionnaire response is complete and correct to the best of my knowledge and belief.

Name :.....

Signature :.....

Position in Company :.....

Date :.....

SECTION I CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A – general information	<input checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" type="checkbox"/>
Section D – domestic price	<input checked="" type="checkbox"/>
Section E – fair comparison	<input checked="" type="checkbox"/>
Section F – exports to third countries	<input checked="" type="checkbox"/>
Section G – costing information	<input checked="" type="checkbox"/>
Section H – declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spreadsheet
Income statement	<input checked="" type="checkbox"/>
Turnover – sales summary	<input checked="" type="checkbox"/>
Australian sales – list of sales to Australia	<input checked="" type="checkbox"/>
Domestic sales – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
Third country – third country sales	<input type="checkbox"/>
Production – production figures	<input checked="" type="checkbox"/>
Domestic costs – costs of goods sold domestically	<input checked="" type="checkbox"/>
Australian costs – costs of goods sold to Australia	<input checked="" type="checkbox"/>
Third country costs – costs of goods sold to third countries	<input type="checkbox"/>

Internal Organisation Chart of Quintain Steel Co., Ltd

