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Director Operations 2
Anti-Dumping Commission
Level 35, 55 Collins Street
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Review of hollow structural sections exported by Dalian Steelforce

This submission is made on behalf of Dalian Steelforce Hi-Tech Co., Ltd. (Dalian Steelforce) in response to the publication of the Anti-Dumping Commission's (the Commission) Statement of Essential Facts Report No. 285 (SEF 285) on 28 July 2015 into the review of certain hollow structural sections (HSS) exported by Dalian Steelforce.

In further support for the use of Steel Business Briefing (SBB) East Asia hot-rolled coil (HRC) prices as a relevant and reliable measure of competitive market costs for HRC, Dalian Steelforce submits the 2015 financial results presentation released by BlueScope Steel Limited (BlueScope). Dalian Steelforce contends that relevant pages from BlueScope's presentation contains further evidence that published SBB East Asia HRC prices are the most reliable indicator of comparable prices in the region.

In its presentation to the ASX of its financial results for the 12 months ending 30 June 2015¹, BlueScope Steel provides an overview of the Australia and New Zealand industry and highlights the trend in falling regional HRC prices by referencing SBB East Asia HRC prices (**Attachment 1**).

Of particular relevance in BlueScope's presentation is the forecast for first half financial year 2016 underlying earnings before interest and tax which is based on a number of assumptions, with the first being 'Spot East Asian HRC prices' of approximately US\$325/t (**Attachment 1**). It is the strongest indicator yet that SBB East Asia HRC prices are used as the primary benchmark for HRC prices in the Asian region and locally in Australia.

These East Asian HRC spot prices, that the Australian industry contends is not an appropriate benchmark and replacement of Chinese exporter's HRC costs, is used by the

¹ http://www.bluescope.com/media/341246/fy2015%20investor%20presentation_240815.pdf

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sole Australian producer of HRC as a reliable measure of its future earnings. Dalian Steelforce understands that a significant proportion of BlueScope's earnings from its sales of HRC are to OneSteel Austube Mills. Therefore, it is reasonable to expect a close correlation between OneSteel Austube Mills own HRC purchase prices and the SBB East Asia HRC prices.

In this context, it is without doubt unreasonable for the Commission to continue to hold the view that SBB East Asia HRC prices are not an appropriate indicator and measure of comparable competitive market costs for HRC in China.

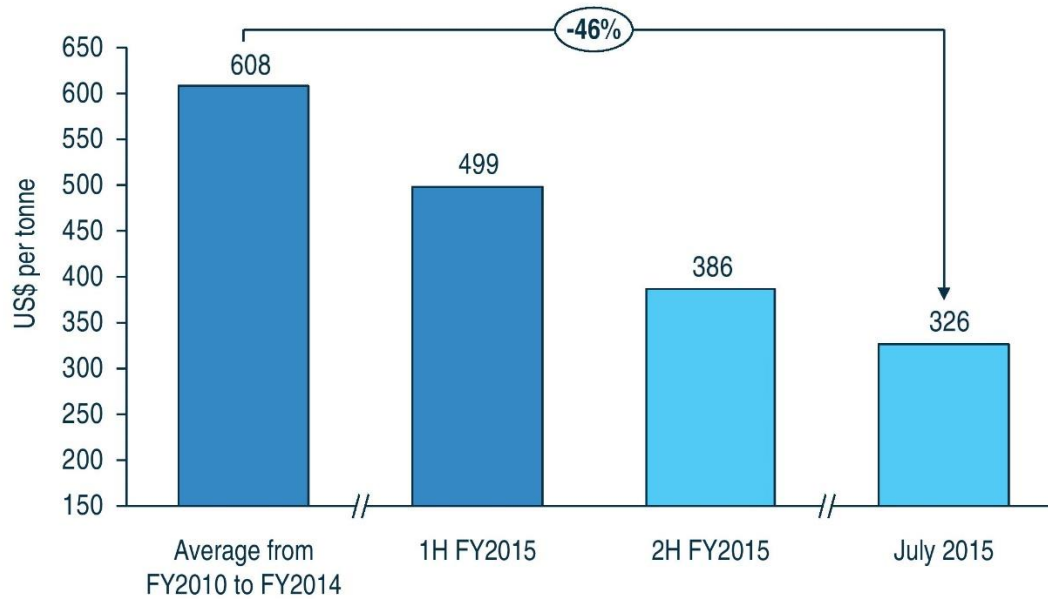
Yours sincerely

John Bracic

ATTACHMENT 1

Australia & NZ Steelmaking – industry context
As a result, there has been a sharp decline in hot rolled coil steel prices ...

Steel Business Briefing East Asian hot rolled coil price



Source: Platts/SBB



1H FY2016 outlook

Group summary

- We expect 1H FY2016 underlying EBIT to be similar to 2H FY2015
- Based on assumptions of average:
 - Spot East Asian HRC price of ~US\$325/t
 - 62% Fe CFR iron ore price of ~US\$50/t
 - Hard coking coal price of ~US\$90/t
 - AUD:USD at US\$0.73
- Refer to sensitivities on page 68
- Expect 1H FY2016 underlying net finance costs and underlying tax charge similar to 2H FY2015, and profit attributable to non-controlling interests greater than 2H FY2015
- Expectations are subject to spread, FX and market conditions