



## Win&P., Ltd

# Investigation concerning the alleged dumping of wind towers

## Meeting with ADC officials on 26 February 2014

### A In attendance

Ross Baek - Team Leader, Tower Project Sales, Win&P

Kim, Young-jun – Deputy Director-General, Ministry of Foreign Affairs, Government of Korea

Son, Jenie – Second Secretary, Ministry of Foreign Affairs, Government of Korea

Lee, Chan-Joo – Senior Manager, KPMG Samjong Accounting Corp

Daniel Moulis – Principal, Moulis Legal

Charles Zhan – Lawyer, Moulis Legal

### B Matters for discussion

- 1 Introductions of persons attending
- 2 Purpose of meeting – to address certain methodological issues and to correct certain direct errors in the ADC's margin calculation for Win&P's wind towers. We will address these in a clear order of presentation. We seek interchange with ADC, involving open responses from each side as the issues are discussed, and a clear understanding before we move on to next issue.
- 3 Opportunity for MOFA to address important WTO aspects which are of concern to the GOK.
- 4 First, scope of goods under consideration – it is our view that embeds are not and cannot be included. There are clear reasons for this. Wording of product scope does not include them. They are a different product. If desired to investigate them, there would need to be a separate investigation.

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- 5 Next, on NV side, let's look at CTMS, and the major issue is SG&A expenses. A calculation error due to misunderstanding. See Attachment 4 to EQ. Win&P's cost recording is in accordance with its organisational structure. The correct spreadsheet to be identified for ADC benefit.
- 6 Other ancillary SG&A issues impacting on CTMS are:
- R&D is in fact **[CONFIDENTIAL TEXT DELETED – identification of internal department]** separate by name in Win&P's accounts. The Attachment 4 introduction is not clear in this respect. It is demonstrably and actually not associated with production or sale of wind towers. In fact the previously explained **[CONFIDENTIAL TEXT DELETED – corporate relationships and internal accounting structure]** both drives and emphasises this distinction.
  - Export related SG&A to be extracted from SG&A for wind towers – can agree with ADC here as per visit report.
- 7 Another inclusion in CTMS that is incorrect relates to foreign exchange gains and losses.
- 8 Profitability - the SG&A corrections obviate the need to consider any profit other than Win&P's own OCOT profit. **[CONFIDENTIAL TEXT DELETED – identification of profitability %]**
- 9 Turning now to EP side, the date of sale issue is fundamental. Australian law/WTO says that currency conversion should be made using the rate of exchange on the date of sale. Date of sale is defined as the date of contract, purchase order, order confirmation, or invoice, whichever establishes the material terms of sale. **[CONFIDENTIAL TEXT DELETED – identification of customer]** was a tender process which finalised all aspects. Terms have been provided. Purchase order established the contract on **[CONFIDENTIAL TEXT DELETED – date]**. This contract established all material terms.
- 10 Lastly, re adjustments, we need to discuss these corrections:
- Domestic credit expenses
  - Packing and handling costs

## C Concluding comments and way forward

Daniel Moulis  
Principal