Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

Exporter Questionnaire

POSCO

Case number: 706

Product: Zinc coated (galvanised) steel

From: The Republic of Korea by Dongkuk Coated Metal Co. Ltd, Dongkuk Steel Mill Co Ltd and POSCO, and from the Socialist Republic of Vietnam by Hoa Sen Group and Nam Kim Steel Joint Stock Company

Investigation period: 1 January 2025 to 31 December 2025 (the period)

Response due by: 27 July 2026

Email enquiries to: investigations2@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

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

1165166v1

TABLE OF CONTENTS

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the commission) is conducting an investigation into zinc coated (galvanised) steel exported to Australia from the Republic of Korea (Korea) by Dongkuk Coated Metal Co. Ltd (DCM), Dongkuk Steel Mill Co Ltd (DSM) and POSCO (POSCO), and from the Socialist Republic of Vietnam (Vietnam) by Hoa Sen Group (Hoa Sen) and Nam Kim Steel Joint Stock Company (Nam Kim).

The commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether zinc coated (galvanised) steel is dumped.

The commission will collect and use information in accordance with its Collection and Use of Information Policy.

If you do not manufacture the goods

If you play a role in the export of the goods but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this questionnaire to the relevant manufacturers and inform the commission of the contact details for these manufacturers **immediately**.

The commission will still require your company to complete this exporter questionnaire except Section G – Cost to make and sell.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the commission to verify the information, we may deem your company to be an uncooperative exporter. In that case the commission must determine a dumping margin having regard to all relevant information.

Therefore, it is in your interest to provide a complete and accurate response to this exporter questionnaire, capable of verification.

Extension requests

If you require a longer period to complete your response to this exporter questionnaire, you must submit a request to the commission, in writing, for an extension to the due date for all or part of the questionnaire. This request must be made prior to the due date. A request for extension will be rejected if received after the due date.

When considering the extension request, the commission will have regard to:

- the commission's responsibility to conduct the case in a timely and efficient manner
- the reasons why you could not provide a response within the whole period and not only the period remaining between the request and the due date
- ordinary business practices or commercial principles
- the commission's understanding of the relevant industry
- previous correspondence and previous dealings with your company and
- information provided by other interested parties.

More information on extensions can be found in the Customs (Extension of Time and Non-cooperation) Direction 2015 at https://www.legislation.gov.au/Details/F2015L01736.

You will be informed of the decision whether your request for an extension has been rejected, granted in full or granted in part. For example, you may be granted an extension to submit all sections except for Section A or you may be granted a shorter extension than you requested.

A summary of any requests and grants of extensions to submit a response to this exporter questionnaire will be published in the public record.

Submitting a response to the exporter questionnaire

Responses to the exporter questionnaire should be lodged via SIGBOX, a secure online document repository. Please contact the commission on the email address listed on the cover page to request access to SIGBOX.

In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

If your response to this exporter questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then your company may be considered as an uncooperative exporter.

Confidential and non-confidential responses

You are required to lodge a confidential version (OFFICIAL: Sensitive) and a non-confidential version (for publishing on the public record) of your response to this exporter questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either "**OFFICIAL: Sensitive**" or "**PUBLIC RECORD**".

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

Please be aware that, if at any stage during this inquiry you become aware that you have inadvertently received confidential information submitted by another party, you have a responsibility to:

- Notify the commission
- Delete the information from your system and
- Refrain from using, sharing or retaining the information in any way.

A person is not required to provide a summary for the public record if the commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

All questionnaires are required to have a bracketed explanation of deleted or blacked out information for the public record version of the questionnaire. An example of a statement to accompany deleted/blacked out text is:

[Explanation of cost allocation through the divisions, by reference to machine hours or weight].

If such an explanation is not provided, the commission may disregard the information in the questionnaire. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be requested to resubmit your response with the required level of detail or, if deadlines have passed, the commission may not have regard to it.

Verification of the information that you supply

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

The verification is not meant to be a chance for you to provide new or additional information. The commission expects your response to the questionnaire to be relevant, complete and accurate.

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

The onsite verification is usually conducted over 4 days. However, in complex cases, it may be scheduled over 5 days. A verification will include a detailed examination of your company's records and we will collect copies of relevant documents. The verification will require the participation of key staff, including your financial accountant, production manager and sales staff. A tour of the manufacturing facility may also be required during the verification.

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

Note that the commission may disregard any data or information that is not verified, including new or additional information provided after the verification visit.

A report will be prepared following the verification, which details the outcomes of the verification. This report will be placed on the public record and may include the publication of the preliminarily-assessed dumping margin. The commission considers that the dumping margin is not confidential information, but rather an aggregate figure derived from confidential data.

You will be provided with an opportunity to comment on the accuracy and confidentiality of the verification report prior to its publication on the public record.

For information on the commission's verification procedures, refer to Anti-Dumping Notice No. 2016/30 available on the commission's website.

Important instructions for preparing your response

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English. To the extent that the foreign language version differs, the English translation will be given priority as a matter of interpretation in Australia.
- Clearly identify all units of measurement (e.g. KG) and currencies (e.g. AUD) used. Apply the same measurement consistently throughout your response to the questionnaire.
- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-4.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the commission's verification of your data.
- If you cannot present electronic data in the requested format contact the commission as soon as possible.
- Where possible, electronic data should be shared with the commission via SIGBOX, a secure online document repository. Please contact the commission to request access to SIGBOX if required.

CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A Company information	☒
Section B Export sales to Australia	☒
Section C Exported goods & like goods	☒
Section D Domestic sales	☒
Section E Due allowance	☒
Section F Third country sales	☒
Section G Cost to make and sell	☒
Exporter's declaration	☒
Non-confidential version of this response	☒

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	☒
B-2.2 Australian sales source	☒
B-4 Upwards sales	☒
D-2 Domestic sales	☒

D-2.2 Domestic sales source	☒
F-2 Third country sales	☒
F-2.2 Third country sale source	☒
G-3 Domestic CTM	☒
G-3.2 Domestic CTM source	☒
G-4.1 SG&A listing	☒
G-4.2 Domestic SG&A calculation	☒
G-4.3 Upwards SG&A	☒
G-5 Australian CTM	☒
G-5.2 Australian CTM source	☒
G-7.2 Raw material CTM	☒
G-7.4 Raw material purchases	☒
G-8 Upwards costs	☒
G-10 Capacity Utilisation	☒

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices, are:

Flat rolled products of iron or steel, whether or not containing alloys, of a thickness of 0.3 millimetres up to and including 3.5 millimetres, of any width, in coil or sheet form, plated or coated with zinc.

The goods under consideration are flat rolled steel products that are plated or coated with zinc, where zinc comprises equal to or greater than 50 percent of the total coating composition. The remaining coating composition can comprise any other alloy elements.

The goods under consideration do not include flat rolled steel products plated or coated with zinc that are painted, pre-painted, electro-galvanised, corrugated, or coated with aluminium-zinc alloys where aluminium is equal to or greater than 50 percent of the total coating composition.

<u>Further information in relation to the goods</u>:

The goods the subject of the application have been exported to Australia by Korean and Vietnamese producers currently not subject to Australian trade remedy measures on flat rolled products of iron or steel, plated or coated with zinc.

These goods are generically called ‘galvanised steel’ and/or ‘zinc coated steel’. Galvanised steel of any width is included in this application.

Steel products plated or coated with zinc include all coatings that have zinc as the dominant component of the coating. Expressed another way, all coatings that have zinc comprising greater than 50 percent of the total coating composition are included as the goods in this application.

Surface treatments can include, but are not limited to, the following: passivated or not passivated (often referred to as chromated or unchromated); oiled or not oiled; skin passed or not skin passed; phosphated or not phosphated (for zinc iron alloy coated steel only).

The goods covered by this inquiry also includes all zinc coated steel product that have been further processed in a third country, including but not limited to trimming, cutting, slitting, shearing or any other processing that would not otherwise remove the zinc coated steel product from this inquiry if performed in the country of manufacture of the included zinc coated steel goods.

By way of example, trade or brand names commonly associated with imported zinc coated steel products include, but are not limited to:

- SuperDyma;
- ZAM;
- GALFAN;
- PhuizerZinc and PhuizerFan;
- GIX;
- MgCOT;
- Magnelis;
- PosMAC;
- Magizinc; and
- Galvanneal

Model Control Code

Details of the model control code (MCC) structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 & G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the commission.

Item	Category	Sub-category	Identifier	Sales Data	Cost Data
1	Base Metal Thickness (BMT)	=> 0.30 mm to < 0.50 mm	1	Mandatory	Mandatory
		=> 0.50 mm to < 0.75 mm	2		
		=> 0.75 mm to < 1.00 mm	3		
		=> 1.00 mm to < 1.50 mm	4		
		=> 1.50 mm to < 2.00 mm	5		
		=> 2.00 mm to < 2.50 mm	6		
		=> 2.50 mm to <= 3.50 mm	7		
2	Steel Base	Hot Rolled	H	Mandatory	Mandatory
		Cold Rolled	C		
3	Coating Type	Zinc coated or non-zinc/iron alloy coating variations (Z, ZA, ZM etc. coating classes)	Z	Mandatory	Mandatory
		Zinc/iron alloy coating (ZF coating class)	F		
4	Prime	Prime	P	Mandatory	Mandatory
		Non – Prime	N		
5	Yield Strength - Minimum yield strength specified by product standard (Mega Pascals or “MPa”)	<= 275 MPa	Y1	Mandatory	Mandatory
		> 275 to <= 375 MPa	Y2		
		> 375 to <= 525 MPa	Y3		
		> 525 MPa	Y4		
		NA - minimum yield strength not specified in product standard	Y5		
6	Coating Mass	<= 100 g/m2	1	Mandatory	Mandatory
		>100 g/m2 to <= 220 g/m2	2		
		> 220 g/m2 to <= 300g/m2	3		
		> 300 g/m2 to <= 400 g/m2	4		

		>400 g/m2	5		
7	Width	< 600 mm	A	Mandatory	Mandatory
		=> 600 mm to <= 1220mm	B		
		> 1220mm	C		
8	Form	Coil	C	Mandatory	Mandatory
		Sheet	S		

In constructing a MCC, use a "-" between each category. For example: 1-H-Z-P-Y1-1-A-C

The MCCs will be used to match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be considered deficient.

SECTION A
COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name:	**[CONFIDENTIAL TEXT DELETED]**
Position in the company:	**[CONFIDENTIAL TEXT DELETED]**
Telephone:	**[CONFIDENTIAL TEXT DELETED]**
E-mail address:	**[CONFIDENTIAL TEXT DELETED]**

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

Name:	**Moulis Legal**
Direct contact:	**Charles Zhan**
Address:	**6/2 Brindabella Circuit** **Canberra International Airport** **ACT 2609**
Telephone:	**+61 2 6163 1000**
E-mail address of contact person:	**charles.zhan@moulislegal.com**

In nominating a representative, you are granting authority to the commission to discuss matters relating to the case with the nominated representative, including your company's confidential information.

3. Please provide the location of the where your company's financial records are held.

POSCO's financial records are held in its Seoul office.

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

POSCO's production records are held at its factories located in "Pohang" and "Gwangyang" of Korea.

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

The goods under consideration are produced at both "Pohang" and "Gwangyang" factories at POSCO.

A-2 Company information

1. What is the legal name of your business?

The company's legal name in its normal business is "POSCO".

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

This question is not applicable because POSCO does not trade under a different name or brand.

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

This question is not applicable because POSCO was not known by a different legal or trading name.

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

POSCO provides the list of current board of directors as well as the last two years in Exhibit A-1 [CONFIDENTIAL ATTACHMENT].

5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)?

    If yes, provide:

    (a) A diagram showing the complete ownership structure and
    (b) A list of all related companies and its functions

POSCO provides ownership and related company information in relation to POSCO Holdings and POSCO in Exhibit A-2. [CONFIDENTIAL ATTACHMENT]

6. Is your company or parent company publicly listed?

    If yes, please provide:

    (c) The stock exchange where it is listed and
    (d) Any principal shareholders[1]

    If no, please provide:

    (a) A list of all principal shareholders and the shareholding percentages.

POSCO's parent company POSCO Holdings Inc is listed on the Korea Stock Exchange. POSCO provides its major shareholders list in Exhibit A-3 [CONFIDENTIAL ATTACHMENT].

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

POSCO is an integrated steel manufacturer founded in 1968 that produces a full range of steel products sold to Korea and various export markets, including Australia. The steel products produced and sold by POSCO are hot-rolled coil and sheet, cold-rolled coil and sheet, electrical coil and sheet, galvanized coil

---

[1] Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

and sheet, plate, wire rod, and stainless steel coil and sheet.

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:
   (a) produce or manufacture
   (b) sell in the domestic market
   (c) export to Australia and
   (d) export to countries other than Australia.

POSCO performs all of the above functions in relation to the goods under consideration.

9. Provide your company's internal organisation chart.

POSCO provides its organization chart in Exhibit A-4. [CONFIDENTIAL ATTACHMENT] POSCO owns and operates two integrated steel mills in Korea. The first mill is located in Pohang and the second one is located in Gwangyang. POSCO manufactures the goods under consideration at both facilities. POSCO's corporate headquarters are located in Pohang, Korea. The company maintains its marketing, sales, finance, raw materials purchasing, strategic planning, and some administrative offices in Seoul, as well as the administrative offices in Pohang.

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

POSCO's organisation includes the following business divisions; **<u>Corporate Planning & Financial Division:</u> This unit develops corporate strategy in Korea and Overseas business. This division also manages Finance and Accounting.** **<u>Management Support Division:</u> This unit handles, among other things, human resources development and management, public relations, legal affairs and information planning.** **<u>Marketing Division</u>: This unit oversees the sales, distribution, and marketing of all of steel products, including hot-rolled, cold-rolled, cut-to-length plates, electrical steel, wire rods, automotive steel, and stainless steel.** **<u>Steel Production & Technology Division:</u> This unit oversees the production of all of steel products and the operation of POSCO's production facilities, including Pohang mill and Gwangyang mill.** **<u>Purchasing and Investment Division:</u> This unit handles raw material procurement as well as plant and equipment. It also makes decisions regarding investments in plant and equipment.**

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

POSCO provides its product brochures for POSCO products covered by the scope of this investigation at Exhibit A-5.

A-3 General accounting information

1. What is your financial accounting period?

   POSCO's financial accounting period is January 1 to December 31.

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

   POSCO's financial accounts are audited by EY Han Young.

3. What currency are your accounts kept in?

   POSCO's accounts are kept in Korean Won currency ("KRW").

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

   Flowcharts illustrating POSCO's financial accounting system is provided in Exhibit A-6. [CONFIDENTIAL ATTACHMENT] As described in Exhibit A-6, POSCO's accounting system is ERP system (called [CONFIDENTIAL TEXT DELETED]) which is comprised of a number of modules in which financial accounting data are recorded. All financial information is captured in the [CONFIDENTIAL TEXT DELETED] module in [CONFIDENTIAL TEXT DELETED].

5. What is the name of your sales system?

   POSCO's sales information is generated in the "[CONFIDENTIAL TEXT DELETED]" module in [CONFIDENTIAL TEXT DELETED], as shown at Exhibit A-6.

6. What is the name of your production system?

   POSCO's production information is aggregated in the "[CONFIDENTIAL TEXT DELETED]" modules in [CONFIDENTIAL TEXT DELETED], as shown at Exhibit A-6.

7. If your financial accounting, sales and production systems are different, how do the systems interact? Is it electronically or manual? Please provide a detailed explanation and include diagrams.

   POSCO's sales, production and financial accounting are integrated in its ERP system. Once a transaction takes place, it is entered into the accounting system as a journal entry and when the journal entry is accumulated by account codes, the journal entries are accumulated into the general ledger ("GL") by account code. At the end of each financial reporting period, these GLs are rearranged in the trial balance to become financial statements such as the balance sheet, income statement, etc.

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

   POSCO maintains its financial accounting records in accordance with the generally accepted accounting principles of Korea ("K-GAAP) as well as Korean

International Financial Reporting Standards ("K-IFRS").

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

POSCO has not changed any of the accounting practices and/or policies over the last two years.

A-4 Financial Documents

1. Please provide the two most recently completed annual reports and/or financial statements for your company and any other related companies involved in the production and sale of the goods.

POSCO provides its audited financial statements covering the two most recently completed years (e.g. FY2024 and FY2025) in Exhibit A-7. POSCO also provides its related company's financial statements for [CONFIDENTIAL TEXT DELETED] in Exhibit A-8 [CONFIDENTIAL ATTACHMENT]. [CONFIDENTIAL TEXT DELETED] was involved in export sales of the goods during the investigation period.

2. If the financial statements in A-4.1 are audited, provide a copy of the audit management letters from your auditor accompanying the audited financial statements.

The auditor's letters are included in the audit reports submitted in Exhibit A-7 and A-8.

3. If the financial statements in A-4.1 are unaudited, provide for each company:
   (a) the tax returns relating to the same period <u>and</u>
   (b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

This question is not applicable because POSCO's financial statements are audited.

4. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods falls into for:
   (a) the most recent financial year <u>and</u>
   (b) the period.

POSCO does not maintain a separate profit & loss statement for the profit centres of the goods.

5. If the period is different to your financial period, please provide:
   (a) Income statements directly from your accounting information system covering the most recent financial period and the period <u>or</u>
   (b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

This question is not applicable because the investigation period is same as the financial period.

6. Please provide a copy of your company's trial balance (in Excel) covering the period and the most recent financial year.

POSCO provides its trial balance (in Excel) covering the period of investigation and the most recent financial year in Exhibit A-9 [CONFIDENTIAL ATTACHMENT].

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

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

POSCO provides its chart of accounts (in Excel) in Exhibit A-10 [CONFIDENTIAL ATTACHMENT].

SECTION B
EXPORT SALES TO AUSTRALIA

B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and representatives (e.g. agents) including:
   (a) Marketing and advertising activities
   (b) Price determination and/or negotiation process
   (c) Order placement process
   (d) Order fulfilment process and lead time
   (e) Delivery terms and process
   (f) Invoicing process
   (g) Payment terms and process

POSCO's export sales of the goods to Australia were made via trading companies located in Korea to the Australian customers. As such, POSCO did not engage in marketing and advertising activities specific to the Australian market.

The trading companies include unrelated traders such as [CONFIDENTIAL TEXT DELETED], as well as related trader, [CONFIDENTIAL TEXT DELETED].

The sale and negotiation process for related and unrelated traders is the same. The negotiation process begins with domestic trading companies contacting POSCO to discuss sales terms, including price, quantity, specifications, delivery terms, and payment schedule. Following these negotiations, the parties agree on the terms for the export sales. All sales by POSCO to both unrelated and related traders are made on a domestic "[CONFIDENTIAL TEXT DELETED]" basis, but [CONFIDENTIAL TEXT DELETED – sales terms arrangements].

Once the process is concluded, POSCO generates an order sheet to initiate production of the goods. POSCO then manufactures the goods and ships them to the destination specified by the customer. A sales invoice as well as a tax invoice are issued by POSCO to the Korean trading company approximately on the date of shipment. The lead time for order fulfilment is approximately 11 to 12 weeks.

For resales by [CONFIDENTIAL TEXT DELETED] to Australian customers, the delivery terms may be [CONFIDENTIAL TEXT DELETED].

POSCO is aware of the final destination of the goods at the time of sale and, accordingly, has reported the relevant sales as export sales to Australia. Nonetheless, the circumstances of the exportations are such that POSCO is [CONFIDENTIAL TEXT DELETED – commercial arrangement with respect to Australian market].

Payment terms for POSCO's Australian sales were [CONFIDENTIAL TEXT DELETED], with payment collected within [CONFIDENTIAL TEXT DELETED - period].

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:
   (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details

(b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details
(c) How is the exchange rate determined in your accounting system and how often is it updated?

During the investigation period, POSCO invoiced its customers in [CONFIDENTIAL TEXT DELETED - currency] for export sales of the goods under consideration to Australia. The credit period was [CONFIDENTIAL TEXT DELETED – details invoicing and payment collection practices]. **POSCO [CONFIDENTIAL TEXT DELETED – forward contract practice and currency conversion practice].**

3. Are there any customers of the goods exported to Australia related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

None of the ultimately Australian customers for the goods exported by POSCO to Australia were related to POSCO. **As mentioned above, during the investigation period, POSCO exported a small portion of the goods — approximately [CONFIDENTIAL TEXT DELETED] of its total Australian sales volume — through [CONFIDENTIAL TEXT DELETED], to unrelated customers in Australia. [CONFIDENTIAL TEXT DELETED – sales practice].**

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

POSCO did not publish any price lists to its customers. [CONFIDENTIAL TEXT DELETED – pricing practice].

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

This question is not applicable because POSCO had a single channel for export sales of the goods under consideration to Australia during the investigation period.

6. Did you provide on-invoice discounts and/or off-invoice rebates to any customer or an associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount and/or rebate.

POSCO did not provide any discounts and/or rebates to any customers or an associate of the customer in relation to the sale of the goods exported to Australia during the investigation period.

7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

POSCO did not issue any credit or debit notes to any customers or an associate of the customer in relation to the sale of the goods exported to Australia during

the investigation period.

8. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale:
   (a) Are you claiming a date other than the invoice date as the date of sale?
   (b) If you are claiming a date other than the invoice date as the date of sale, why does this date better reflect the material terms of sale? Provide evidence to support your claim. Any claim for an adjustment would need to substantively address:
      - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
      - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
      - whether contracts were entered into for the materials purchases, and materials inventory valuation.

Note that any date of sale claim, other than the invoice date, that is made after submitting a response to this questionnaire may not provide the commission with sufficient time to assess the claim and may not be considered.

POSCO uses the invoice date as the date of sale and does not assert that any other date should be considered as the date of sale.

B-2 Australian sales listing

1. Complete the worksheet named “B-2 Australian sales”
   - This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
   - This worksheet must also include exports of the goods that have been exempted from anti-dumping duties under 8(7) and section 10(8) of the *Customs Tariff (Anti-Dumping) Act 1975*[2].
   - You must provide this list in electronic format using the template provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.
   - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

POSCO provides Exhibit B-2 [CONFIDENTIAL ATTACHMENT].

2. For any sales exported to Australia through an intermediary, add the following to the “B-2 Australian sales spreadsheet” for those transactions:
   a. Name of the end customer in Australia
   b. Price at which the goods are sold to that customer
   c. The delivery terms of the sale to that customer

[2] Please refer to the Dumping Commodity Register for detail on exempt goods.

POSCO has provided the further information requested in Exhibit B-3 [CONFIDENTIAL ATTACHMENT], Australian sales by [CONFIDENTIAL TEXT DELETED – sales details].

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

As requested, POSCO provides a complete worksheet “B-2.2 Australian sales source” in Exhibit B-4 [CONFIDENTIAL ATTACHMENT].

B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:

- Contracts
- Purchase order and order confirmation
- Commercial invoice and packing list
- Proof of payment, remittance advice and accounts receivable ledger
- Documents showing bank charges
- Invoices for inland transport
- Invoices for port handling and other export charges
- Bill of lading
- Invoices for ocean freight & marine insurance (if applicable)
- Country of origin certificates (if applicable)

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

POSCO provides the requested documentation for the two largest invoices by value in Exhibit B-5 [CONFIDENTIAL ATTACHMENT].

POSCO also provides in Exhibit B-6 [CONFIDENTIAL ATTACHMENT] the requested documentation for the two invoices by value concerning Australian sales by [CONFIDENTIAL TEXT DELETED] to unrelated customers.

2. For each document, please annotate the documents or provide a table reconciling the details in the “B-2 Australian sales” listing to the source documents in B-3.1.

As requested, POSCO includes the annotation or table reconciling the details in the “Australian sales” list in Exhibit B-5 and B-6, respectively.

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.
   - You must provide this list in electronic format using the template provided
   - Please use the currency that your accounts are kept in
   - If you have used formulas to complete this worksheet, these formulas must be retained.

POSCO provides the worksheet titled as “Upwards Sales” in Exhibit B-7

[CONFIDENTIAL ATTACHMENT].

2. Please provide all source documents & worksheets, other than those in A-4, B-2 and D-2, required to complete the “B-4 Upwards sales” worksheet.
   - For example, worksheets (e.g. a master sales listing) showing how you identified and categorised:
     - Sales of the goods under consideration and other sales (e.g. non-goods or services)
     - Domestic, Australian and third country sales of the goods under consideration
   - If the documents include spreadsheets, all formulas used must be retained
   - There must not be any balancing amounts. All amounts must be supported by source documents.

POSCO provides its supporting documentation for “Upwards Sales” in Exhibit B-8 [CONFIDENTIAL ATTACHMENT].

3. For all amounts in the “B-4 Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
   - the name of the source document, including the relevant page number, in column D of the worksheet and
   - highlight or annotate the amount shown in the source document and
   - provide the account code and sub-account code (if applicable) at column E of the worksheet.

POSCO includes the requested information in Exhibit B-8.

SECTION C
EXPORTED GOODS & LIKE GOODS

The commission considers the MCC structure in and of itself is not likely to be commercially sensitive information. Any claim that disclosing the MCC information is confidential or would adversely affect your business or commercial interests must be raised by lodging a submission as soon as practicable, but no later than the time this questionnaire is due.

C-1 Models exported to Australia

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

POSCO provides in Exhibit C-1 [CONFIDENTIAL ATTACHMENT] a list of the goods exported to Australia during the period. Concerning the details of POSCO's subject goods including its specification and technical details, please refer to POSCO's product brochure in Exhibit A-5 of Section A.

POSCO notes that, a [CONFIDENTIAL TEXT DELETED] portion of its Australian sales during the investigation period, about [CONFIDENTIAL TEXT DELETED], were POSMAC products. POSMAC, an acronym for "POSCO Magnesium Aluminium alloy Coating", refers to a range of specialty, trade marked, and patented product of POSCO, which offer superior quality lifespan and are designed to suit customer's special performance requirement. POSCO has reported POSMAC products according to the Commission's MCC instruction, which requires products with "ZM" coating to be reported under the "Z" subcategory.

2. Provide a list of MCCs of the goods exported to Australia. This must cover all MCCs listed in the Australian sales listing in B-2.
   - This list must be disclosed in the public record version of the response.

A list of MCCs for the goods exported by POSCO to Australia is provided in Exhibit C-2.

C-2 Models sold in the domestic market

1. Fully describe all like goods your company sold on the domestic market during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the like goods sold on the domestic market.

POSCO provides in Exhibit C-3 [CONFIDENTIAL ATTACHMENT] a list of all like goods sold on the domestic market during the period of investigation. For further details of the goods, please refer to POSCO's product brochure, at Exhibit A-5 of this response. POSCO notes that, unlike the Australian sales, a [CONFIDENTIAL TEXT DELETED] proportion of its domestic sales during the investigation period, about [CONFIDENTIAL TEXT DELETED], were its POSMAC specialty products. POSCO has reported POSMAC products according to the Commission's MCC instruction, which requires products with "ZM" coating to be reported under the "Z" subcategory. POSCO will make a separate submission so that the Commission can better appreciate the different market sectors that the POSMAC products are required, and to consider appropriate exclusion or

exemption treatment required.

2. Provide a list of MCCs of like goods sold on the domestic market. This must cover all MCCs listed in the domestic sales listing in D-2.
   - This list must be disclosed in the public record version of the response.

POSCO provides in Exhibit C-4 a list of MCC for all like goods sold on the domestic market during the investigation period.

C-3 Internal product codes

1. Does your company use product codes or stock keeping unit (SKU) codes?

   If yes:

   (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
   (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
   (c) Provide a table of showing the product or SKU codes for each MCC.

   If no:

   (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

POSCO uses an internal item code and maintains its inventory ledger by using its internal item code. For a detailed explanation regarding its internal item code and demonstration, please refer to POSCO's response to question Exhibit G-3 of Section G response. POSCO provides a table MCC assignment methodology for the purpose of responding to this questionnaire in Exhibit C-5 [CONFIDENTIAL ATTACHMENT]. For the avoidance of doubt, the product item code descriptions in Exhibit C-3 reflect the product descriptions used for domestic sales records, whereas Exhibit C-5 reflects the mapping methodology used for MCC reporting. Accordingly, certain product code descriptions may appear differently between the two exhibits.

SECTION D
DOMESTIC SALES

D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:
   (a) Marketing and advertising activities
   (b) Price determination and/or negotiation process
   (c) Order placement process
   (d) Order fulfilment process and lead time
   (e) Delivery terms and process
   (f) Invoicing process
   (g) Payment terms and process

POSCO's marketing activities primarily focus on [CONFIDENTIAL TEXT DELETED].

In the domestic market, POSCO has [CONFIDENTIAL TEXT DELETED] channels of distribution as follows:

[CONFIDENTIAL TEXT DELETED – sales channels]

During the investigation period, POSCO sold most of the like goods directly to domestic customers [CONFIDENTIAL TEXT DELETED - channels]. A small volume of the like goods was sold in the domestic market through its related distributor, [CONFIDENTIAL TEXT DELETED], which accounted for [CONFIDENTIAL TEXT DELETED]% of POSCO's total domestic sales volume of the like goods during the period.

POSCO's prices are set on [CONFIDENTIAL TEXT DELETED – pricing practice].

Once the sales terms are agreed, [CONFIDENTIAL TEXT DELETED – order and sales process].

POSCO subsequently produces the goods and prepares them for delivery to customers. Lead time for order fulfilment is approximately [CONFIDENTIAL TEXT DELETED - period]. The sales made by POSCO to its customers in the domestic market are on [CONFIDENTIAL TEXT DELETED – sales terms].

For sales made by POSCO through [CONFIDENTIAL TEXT DELETED], POSCO [CONFIDENTIAL TEXT DELETED – sales practice involving related party].

2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

As explained above, [CONFIDENTIAL TEXT DELETED] was involved in the resale of the like goods in the domestic market during the investigation period. In addition to [CONFIDENTIAL TEXT DELETED], POSCO had [CONFIDENTIAL TEXT DELETED - number] related customers in the domestic market during the investigation period. A list of these related customers is provided in Exhibit D-1 [CONFIDENTIAL ATTACHMENT].

POSCO's prices are set on [CONFIDENTIAL TEXT DELETED – pricing practice].

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

POSCO did not publish any price list to its customers. POSCO has an [CONFIDENTIAL TEXT DELETED – pricing practice].

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

As indicated above in D-1.1, POSCO's domestic sales of like goods were sold to [CONFIDENTIAL TEXT DELETED – levels of trade], with prices negotiated [CONFIDENTIAL TEXT DELETED – pricing practice].

5. Did you provide on-invoice discounts and/or off-invoice rebates to the customer or an associate of the customer in relation to the sale of the like goods during the period? If yes, provide a description; and explain the terms and conditions that must be met by the customer to obtain the discount and/or rebate.

POSCO did not incur any on-invoice discounts and/or off-invoice rebates, except for [CONFIDENTIAL TEXT DELETED] concerning the like goods sold during the investigation period.

POSCO offered [CONFIDENTIAL TEXT DELETED] under certain payment terms. [CONFIDENTIAL TEXT DELETED – specific payments related sales terms].

6. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

POSCO occasionally issued post-sale credit and/or debit notes to customers in relation to the sale of like goods during the investigation period. These notes were generally issued, for example, to correct invoicing errors.

7. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale:
   (a) Are you claiming a date other than the invoice date as the date of sale?
   (b) If you are claiming a date other than the invoice date as the date of sale, why does this date best reflect the material terms of sale? Provide evidence to support your claim. You would need to substantively address:
      - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
      - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
      - whether contracts were entered into for the materials purchases, and materials inventory valuation.

Note that any date of sale claim, other than the invoice date, that is made after submitting a response to this questionnaire may not provide the commission with sufficient time to assess the claim and may not be considered.

In this response, POSCO uses the invoice date as the date of sale.

D-2 Domestic sales listing

1. Complete the worksheet named "D-2 Domestic sales"
   - This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia
   - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
   - You must provide this list in electronic format using the template provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.
   - If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-2 above, add a column for each item. For example, certain other selling expenses incurred.

POSCO provides its Domestic Sales listing worksheet at Exhibit D-4 [CONFIDENTIAL ATTACHMENT].

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

Please see a table listing the source of the data used for each column in "Domestic sales" at Exhibit D-4.2 [CONFIDENTIAL ATTACHMENT].

D-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:
   - Contracts
   - Purchase order and order confirmation
   - Commercial invoice and packing list
   - Proof of payment, remittance advice and accounts receivable ledger
   - Documents showing bank charges
   - Delivery invoices

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

POSCO provides the requested documentation for the two largest invoice lines by value in Exhibit D-5 [CONFIDENTIAL ATTACHMENT].

2. For each document, please annotate the documents or provide a table reconciling the details in the "D-2 Domestic sales" listing to the source documents in D-3.1.

As requested, POSCO includes the annotation or table reconciling the details in the "Domestic sales" listing in Exhibit D-5.

D-4 Reconciliation of sales to financial accounts

This section is not required if you have completed B-4.

POSCO includes the requested information in Exhibit B-7 and Exhibit B-8.

3. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in D-2 and F-2 are complete.
   - You must provide this list in electronic format using the template provided.
   - Please use the currency that your accounts are kept in.
   - If you have used formulas to complete this worksheet, these formulas must be retained.
4. Please provide all documents and worksheets, other than those in A-4, D-2 and F-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.
   - For example, worksheets (e.g. a master sales listing) showing how you identified and categorised:
     - Sales of the goods under consideration and other sales (e.g. non-goods or services)
     - Domestic and third country sales of the goods under consideration
   - If the documents include spreadsheets, all formulas used must be retained
   - There must not be any balancing amounts. All amounts must be supported by source documents.
1. For any amount in the “B-4 Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
   - the name of the source document, including the relevant page number, in column D of the worksheet and
   - highlight or annotate the amount shown in the source document and
   - provide the account code and sub-account code (if applicable) at column E of the works

SECTION E
DUE ALLOWANCE

E-1 Credit expense

1. For each Australian customer of the goods and each domestic customer of like goods, calculate the average credit period for that customer by:
   - Calculating the average accounts receivable over the period for that customer.
     - This is usually calculated by either:
       - summing the accounts receivable opening balance and closing balance for the period, and dividing it by 2, or
       - summing the average monthly accounts receivable over the period and dividing it by 12.
     - If there is a more accurate way of calculating the average accounts receivable (e.g. the customer only made purchases in certain months) then use an alternative method.
   - Calculating the accounts receivable turnover over the period for that customer using the formula:

$$\frac{\textit{Net sales revenue over the peirod}}{\textit{Average accounts receivable}}$$

   - Calculating the average credit period for that customer using the formula:

$$\frac{365}{\text{Accounts receivable turnover}}$$

For the domestic sales, payment terms are agreed between POSCO and its customers at the time of sale and shown on POSCO's order sheet. POSCO provides in Exhibit E-1 [CONFIDENTIAL ATTACHMENT] a sample of the various payment terms offered to its domestic customers.

In practice, POSCO traces the actual payment date from the customer on a transaction-specific basis and calculates the credit period by using the difference between invoice date and payment date. Such tracing is also used for the purpose of applying the [CONFIDENTIAL TEXT DELETED – specific payments related sales terms] as explained in D-1 above. POSCO has reported its credit cost on a transaction-specific basis by using the following formula:

Credit Cost = Net Invoice Value X (Payment date – Invoice date) / 365 x Short-term interest rate

[CONFIDENTIAL TEXT DELETED – borrowing practice]. This short-term interest rate is provided in Exhibit E-2 [CONFIDENTIAL ATTACHMENT].

Similarly, POSCO calculated the credit expense based on the actual payment dates of its Australian sales during the period.

2. Do you have short term borrowings or an overdraft facility denominated in your local currency? If yes, what is the interest rate, or average of interest rates?

As explained above, [CONFIDENTIAL TEXT DELETED – borrowing practice].

3. Do you have any interest earning deposits or other cash product (e.g. term deposits, bonds) denominated in your local currency? If yes, what is the interest rate, or average of interest rates?

The average interest rate for interest earning deposit or other cash product is

[CONFIDENTIAL TEXT DELETED] % during the period of investigation.

4. If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
   (a) Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
   (b) Do you have any interest earning deposits or other cash product (e.g. term deposits, bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

During the period of investigation, POSCO had short-term borrowings denominated in foreign currency. The calculation of this average short-term interest rate is provided in Exhibit E-3 [CONFIDENTIAL ATTACHMENT]. The average interest rate for interest earning deposits or other cash product is [CONFIDENTIAL TEXT DELETED]% during the period of investigation.

E-2 Packaging

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

Domestic sales of like goods are packed in accordance with POSCO's standard coil packaging practices.

The packaging may include steel band strapping, moisture-proof wrapping, inner/outer protection, and other protective materials, depending on product specifications and customer requirements.

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

This packaging is based on POSCO's export coil standard, with corrosion protection, moisture-proof materials, inner/outer protection, and steel band strapping applied as required.

The specific packing configuration may vary depending on product specifications and customer requirements.

3. If there are distinct differences in packaging between your domestic and export sales:
   (a) Provide details of the differences
   (b) Calculate the weighted average packaging cost for each model sold on the domestic market
   (c) Calculate the weighted average packaging cost for each model exported to Australia

POSCO performed its packing based on the required packing type. Therefore, it has reported packing cost associated with packaging the goods under consideration/like goods by each packing type in its Australian Sales file (Exhibit B-2) as well as its domestic sales file (Exhibit D-4). The reported packing costs include packing materials, labour and overhead costs. POSCO provides in Exhibit E-4 [CONFIDENTIAL ATTACHMENT], a worksheet detailing the calculation of "per unit packing cost by packing type" used for reporting POSCO's packing cost for both Australian sales and Domestic sales. Please note that the reported packing cost is captured in the manufacturing overhead packing cost accounts.

E-3 Delivery

1. Are any domestic sales of like goods delivered to the customer? If yes, how were the transportation costs calculated in the domestic sales listing in D-2?

For the domestic sales, POSCO has incurred the following movement expenses and reported each expense in Exhibit D-4 (Domestic Sales Listing).

(1) Inland Freight

For domestic sales, POSCO transports the goods from its "Pohang" or "Gwangyang" plants to the customer's site by truck, train or vessel. POSCO has reported the cost of inland freight incurred from the factory to the customer's site in Exhibit D-4 (Domestic Sales Listing). This freight charge is reported on a transaction-by-transaction basis.

(2) Warehousing Expense

POSCO utilized three logistics warehouses, located in [CONFIDENTIAL TEXT DELETED], to support the distribution of its merchandise to customers. These logistic warehouses are operated by unrelated companies that charge POSCO a monthly fee. Details on the monthly cost and calculation of the reported per unit cost of warehousing are provided in Exhibit E-5 [CONFIDENTIAL ATTACHMENT].

POSCO divided the total cost charged for the period of investigation by the total quantity stored in the location. The warehousing expense is reported in Korean won, and has been calculated by multiplying the per unit cost by the quantity on a specific transaction basis at Exhibit D-4 (Domestic Sales Listing).

(3) Loading and Unloading Charges

For the domestic sales, POSCO also incurred loading and unloading charges associated with transporting the merchandise from its plants to the customer's site. POSCO has reported loading & unloading charges on a transaction-by transaction basis in Exhibit D-4 (Domestic Sales Listing).

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

As explained in B-1 above, POSCO's export sales of the goods to Australia were sold on [CONFIDENTIAL TEXT DELETED] terms, with a variety of inland freight and handling arrangements with its customers. The delivery terms of resales made by related party, [CONFIDENTIAL TEXT DELETED] for Australian sales during the investigation period were[CONFIDENTIAL TEXT DELETED] terms.

3. If the delivery terms of the Australian sales includes delivery to the port, how was the inland transport calculated in the Australian sales listing in B-2?

For most of the Australian sales, POSCO is responsible for transporting the goods to the port (e.g. Busan or Incheon port) in Korea. In such cases, POSCO reported its inland freight expense incurred from POSCO's plant (e.g. Pohang or Gwangyang) to the port in Korea (e.g. Busan or Incheon port) on a transaction specific basis in Korean won ("KRW") in Australian sales listing in Exhibit B-2 of Section B response. [CONFIDENTIAL TEXT DELETED – sales arrangements and actual transaction based reporting]

4. If the delivery terms of the Australian sales includes port handling and other export charges, how were these expenses calculated in the Australian sales listing in B-2?

For all export sales to Australia during the period of investigation, POSCO [CONFIDENTIAL TEXT DELETED – sales terms].

5. If the delivery terms of the Australian sales includes ocean freight, how was the ocean freight cost calculated in the Australian sales listing in B-2?

POSCO did not incur any ocean freight expense for its Australian sales of the goods during the investigation period.

For Australian sales made by POSCO's related party, [CONFIDENTIAL TEXT DELETED] reported the ocean freight expense it incurred on a transaction specific basis in Australian sales listing in Exhibit B-3 of the Section B response.

6. If the delivery terms of the Australian sales includes marine insurance, how was the marine insurance calculated in the Australian sales listing in B-2?

POSCO [CONFIDENTIAL TEXT DELETED – sales terms]. For Australian sales made by related party, [CONFIDENTIAL TEXT DELETED] reported the applicable marine insurance expenses on a transaction specific basis in Australian sales listing in Exhibit B-3 of the Section B response.

7. If the delivery terms of the Australian sales includes delivered duty paid, how were the Australian importation and delivery costs calculated in the Australian sales listing in B-2?

Not applicable.

E-4 Other direct selling expenses

1. Do you provide sales commissions for domestic sales of like goods and/or export sales of the goods? If yes, provide details.

POSCO did not incur any sales commissions for domestic sales of like goods and export sales of the goods during the period of investigation.

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:
   - What is the rate of value-added tax (VAT) on sales of the goods and like goods?
   - How is VAT accounted for in your records in relation to sales of the goods and like goods?
   - Do you receive a VAT refund in relation to sales of the goods and/or like goods?
   - Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

Not applicable, in that there are no such differences and POSCO does not claim any adjustments on the duty drawback of import duties on the inputs consumed in the productions of the goods exported to Australia.

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?

For domestic sales, POSCO incurred certain warranty expenses.

[CONFIDENTIAL TEXT DELETED – warranty expenses], if any. POSCO has reported the cost of warranty expense on a transaction-specific basis in Exhibit D-4 (Domestic Sales Listing).

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?

In relation to export sales of the goods to Australia, POSCO did not incur any other direct selling expense during the period of investigation.

E-5 Other adjustment claims

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details and supporting documentation.
   - An adjustment will only be made where there is evidence that the difference affects price comparability.
   - Refer to Chapter 15 of the *Dumping and Subsidy Manual (December 2021)*[3] for more information.

As explained in D-1 above, POSCO maintained distinct levels of trade with respect to its sales of like goods in the domestic market, [CONFIDENTIAL TEXT DELETED – levels of trade]. In comparison, all of POSCO's sales to Australia were to traders, which are more comparable, in the level of trade context, to POSCO's domestic sales to [CONFIDENTIAL TEXT DELETED – levels of trade]. This is because [CONFIDENTIAL TEXT DELETED – levels of trade] are at the upstream level of the supply chain. On the other hand, POSCO's sales to domestic [CONFIDENTIAL TEXT DELETED – levels of trade] are, naturally, sales to the more downstream level of the supply chain.

Given the large variety of products and market segments covered by the scope of the goods POSCO has quantified the adjustment required, based on the observable price differences between its domestic sales to distributor level and end-user level of trade for products with identical MCC to the goods exported to Australia, at Exhibit E-6 [CONFIDENTIAL ATTACHMENT]. The required adjustment amount has also been applied to the relevant transactions at D-4 Domestic Sales listing.

[3] Available on the commission website

SECTION F
THIRD COUNTRY SALES

F-1 Third country sales process

1. Are your sales processes to any third country (i.e. exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.

POSCO's sales processes for export sales to third country are not so different from those for Australian sales. In other words, POSCO exports most of the volumes of the goods under consideration/like goods to third countries through trading companies.

2. Are there any third country customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

POSCO provide a list of "related" customers for third country sales in Exhibit F-1 [CONFIDENTIAL ATTACHMENT]. Please note that POSCO's selling price is determined through an individual negotiation on a transaction-by-transaction basis, regardless of its relationship with the customer (e.g. related or unrelated).

3. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:
   (a) What date are you claiming as the date of sale?
   (b) Why does this date best reflect the material terms of sale? Any claim for an adjustment would need to substantively address:
      - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
      - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
      - whether contracts were entered into for the materials purchases, and materials inventory valuation.

POSCO does not claim any other date as the date of sale.

F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
   - This worksheet lists all export sales, summarised by country, customer and MCC, to third countries of like goods invoiced within the period.
   - While sales may be made in different currencies and on different shipping terms the sales listing also seeks to record an Ex-works value of these sales in your local currency.
   - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
   - You must provide this list in electronic format using the template provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.

In accordance with the instruction of this question, POSCO provides, in Exhibit

F-2 [CONFIDENTIAL ATTACHMENT], its "Third Country Sales" file including its export sales to third countries of the goods under consideration/like goods during the investigation period.

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

All the information included in Exhibit F-2 is derived from [CONFIDENTIAL TEXT DELETED] module of POSCO's [CONFIDENTIAL TEXT DELETED] system.

F-3 Differences in sales to third countries

1. Are there any differences in sales to third countries which may affect their comparison to export sales to Australia? If yes, provide details.

The terms of sale for export sales to third countries may vary on a transaction-specific basis, which may affect the comparison with export sales to Australia.

SECTION G
COST TO MAKE AND SELL

G-1 Production process

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

The goods were produced at POSCO's two fully integrated steelmaking facilities – (i) the Pohang Plant and (ii) the Gwangyang Plant.

A detailed flowchart of the production process for the goods under consideration is provided in Exhibit G-1 and a general description of the production process is also outlined as below:

1. Iron Making: Iron ore and coke are fed into a blast furnace. A steady blast of super-heated air (up to 1,200°C) creates a reaction in which carbon monoxide from burning coke reacts with iron ore to remove oxygen, producing molten iron.

2. Steel Making: The molten iron is charged into a basic oxygen furnace along with scrap. A high-pressure stream of pure oxygen is injected, removing impurities such as phosphorous and sulfur. The result is crude steel used to produce semi-finished products.

3. Continuous Casting: Liquid steel is poured into moulds and passed through a casting machine, coagulating into slabs. These slabs are then processed through rolling mills.

4. Hot Rolling: Slabs are heated and passed through a series of roller stands to reduce thickness into hot-rolled coils (HRC) at temperatures above 1,000°C.

5. Shot Blast & Pickling / Cold Rolling: Scale from the hot-rolled steel is removed by passing through a shot blast and pickling tank. The pickled coil is then cold-rolled to the target thickness, producing cold-rolled coils (CRC) that serve as the primary input for the galvanizing process.

6. Pre-Treatment: Some rolling oil and other contaminants remain on the surface of cold rolled steel sheets following processing. These are removed by passing the electrically charged sheet through an alkaline solution which induces an electrochemical reaction.

7. Annealing: The material properties of the pre-treated steel sheet can be altered and improved through recrystallization during the annealing process.

8. Galvanizing: After passing through the annealing furnace, steel sheets are dipped into a zinc pot where molten Zn is coated onto the surface. The desired coating weight is achieved by removing excess zinc before solidification with high-pressure air from an air knife. This process produces hot-dip galvanized products.

9. Galvannealing: The surface of a steel sheet, after the air knife, can be coated with a zinc compound prior to reheating in an annealing process. Zn atoms diffuse into the Fe to create a Zn-Fe series alloy. This process produces galvannealed products.

10. SPM & Chemical Treatment: In order to achieve a flat surface and an elegant

finish, the steel sheet is processed with a skin pass mill. In order to prevent the white rust, which often forms on the surface of activated zinc, and to improve corrosion resistance, the surface is coated with a Cr-free resin.

11. Inspection: Located at the line's exit section are a side trimmer, inspection table, oil coating machine and coiling equipment. At this station, all products are inspected and judged relative to material specifications required by the customer.

The following items can also be generated in the course of normal production.

1. Nonconforming product: POSCO inspects products at the final stage to verify whether they have been manufactured according to the order. If a product does not meet the requirements specified in industry standards or the customer's order, POSCO reclassifies it as an "nonconforming product."

2. Scrap: Steel scrap is both used and generated in the manufacture of the various carbon steel products. In addition, various sub-materials and energy by-products may be generated during the production process.

3. Zinc Dross and Zinc Ash: These are by-products generated specifically in the galvanizing process. Zinc dross forms at the bottom of the zinc pot from the reaction between zinc and iron, while zinc ash forms on the surface of the molten zinc. Both are recovered and sold or recycled, with their market value credited against raw material costs.

2. Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

POSCO purchases certain raw materials and services provided from related suppliers, and such suppliers may either be affiliates or subsidiaries of POSCO. POSCO provides the products and services supplied by the related company in Exhibit G-2 [CONFIDENTIAL ATTACHMENT]. Please note most related suppliers are trading companies and those trading companies perform purchase activities with [CONFIDENTIAL TEXT DELETED – commercial practice] on behalf of POSCO.

G-2 Cost accounting practices

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

POSCO utilizes the [CONFIDENTIAL TEXT DELETED] ERP system which is based on actual costing.

2. If your company uses standard costs:
   (a) Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?
   (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
   (c) How were those variances allocated?
   (d) Provide details of any significant or unusual cost variances that occurred during the period.

This question is not applicable because POSCO did not use standard or budgeted cost. POSCO reported actual costs in the responses to G-3.1 and G-

5.1.

3. Briefly explain your cost accounting practices (e.g. job costing, process costing).

> **POSCO's ERP system fully integrates the financial and cost accounting functions and applies a process-based costing methodology(*) in the system.**
>
> **(*)Process-based costing methodology: [CONFIDENTIAL TEXT DELETED – details of costing methodology].**
>
> **POSCO's system records and manages all the cost information based on [CONFIDENTIAL TEXT DELETED – costing method]. The actual item code includes information about [CONFIDENTIAL TEXT DELETED - details]. POSCO provides a key to its product code structure at Exhibit G-3 [CONFIDENTIAL ATTACHMENT]. As shown, the item type distinguishes between finished and semi-finished goods; the product name identifies the product group; as to the serial number, POSCO assigns unique serial numbers to each specific product, and issues new numbers when developing new products. There are no differences between product codes used for production control, cost accounting, inventory, and sales purposes.**
>
> **Lastly, the functions of the [CONFIDENTIAL TEXT DELETED] system modules are composed as follows:**
>
> **[CONFIDENTIAL TEXT DELETED – detailed costing process]**
>
> **POSCO provides a detailed flowchart of the cost accounting system in Exhibit G-4 [CONFIDENTIAL ATTACHMENT].**

4. Do you have different cost centres in your company's cost accounting system? If yes, list the cost centres, provide a description of each cost centre and the allocation methodology used in your accounting system.

> **Exhibit G-5 [CONFIDENTIAL ATTACHMENT] contains a list of all cost centres including direct cost centres as well as indirect cost centres with brief descriptions. POSCO aggregates resource costs and resource overhead costs by cost centre in accordance with criteria established for each direct or indirect cost centre. POSCO allocates all resource costs accumulated in the indirect cost centres to the direct cost centres, which are then ultimately assigned to each actual item. Each indirect cost centre is categorized by department type, such as factory common, maintenance division, power division, or research institute. Allocation indices are then determined based on the department type and the specific role of each cost centre.**

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

> **POSCO's actual costing system identifies individual cost elements, including raw materials costs, at [CONFIDENTIAL TEXT DELETED – detailed costing process].**

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

POSCO maintains complete cost accounting systems that are fully integrated with the respective financial accounting systems and which tie to audited financial statements. All costs presented in this submission therefore tie directly to the values associated with products entering the finished goods inventory. Therefore, there is no difference between cost accounting and financial accounting.

7. Has your company engaged in any start-up operations in relation to the goods? If yes:
   (a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
   (b) State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation it its accounting records.

POSCO did not engage in any start-up operations in relation to the goods during the investigation period.

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

All relevant practices pertaining to POSCO's inventory valuation methodologies are disclosed in its financial statements. The costs of POSCO's raw materials, work-in-process, and finished goods inventories are determined using a moving average method. Materials in-transit values are based on the specific identification method.

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

As explained in our answer to the question G-1.1, POSCO inspects products at the final stage to verify whether they have been manufactured according to the order. If the product does not meet the requirements set forth in the industry specifications or the customers' order, POSCO [CONFIDENTIAL TEXT DELETED – detailed costing and classification practice].

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

As explained in G-1.1, product scrap is both used and generated in the manufacture of the various steel products. Scrap is reintroduced into the production process, and its value is recorded at the estimated purchase cost based on market price, which is then deducted from the raw material cost. In addition, zinc dross and zinc ash, which are by-products generated during the galvanizing process, are recovered and their value is credited against the raw material cost at market price. Apart from these, there are no other significant by-products or joint products associated with the goods.

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

There were no management fees/corporate allocations charged to POSCO by related company during the investigation period.

G-3 Cost to make on domestic market

1. Complete the worksheet named "G-3 Domestic CTM".
   - This worksheet lists the quarterly cost to make the domestic models of like goods by MCC manufactured within the period, even if they are models not exported to Australia.
   - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
   - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
   - You must provide this list in electronic format using the template provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.
   - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

POSCO provides the actual cost to make and sell for each model sold in the domestic market in the spreadsheet titled "G-3 Domestic CTM" on Exhibit G-6 [CONFIDENTIAL ATTACHMENT]. The requisite information for calculating production costs is collected quarterly from the [CONFIDENTIAL TEXT DELETED] system. Accordingly, the cost data is reported on a quarterly basis throughout the investigation period.

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

The requested worksheet "G-3.2 domestic CTM source" is provided in Exhibit G-7 [CONFIDENTIAL ATTACHMENT].

G-4 Selling, General & Administrative expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
   - This worksheet lists <u>all</u> selling, general and administrative expenses by accounting code for the most recent accounting period and the period. The SG&A must also include:
     - finance expenses
     - taxes and surcharges (except income/profit tax).
   - In the column "Is it a direct selling expense", identify expenses related to direct selling expenses (e.g. inland transport) that has been reported in B-2 Australian sales and/or D-2 Domestic sales.
   - In the column "Is it provisional or unrealised?", identify any accounts that are not actual or realised, such as:
     - unrealised foreign exchange gains/loss
     - provision for doubtful debt
   - In the column "Is it only related to exports or non-goods?", identify any accounts that are related only to either:
     - export sales
     - products that are not the goods under consideration.
   - You must provide this list in electronic format using the template provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.

POSCO provides the spreadsheet named as "G-4.1 SG&A listing" on Exhibit G-8 [CONFIDENTIAL ATTACHMENT] according to the above instruction. This worksheet includes all selling, general and administrative expenses as well as finance expenses.

2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".
   - This worksheet calculates the unit domestic SG&A for each MCC.
   - You must provide this list in electronic format using the template provided.
   - Please use the formulas provided.

POSCO provides the spreadsheet named as "G-4.2 Domestic SG&A calculation" on Exhibit G-9 for each MCC [CONFIDENTIAL ATTACHMENT].

3. Complete the worksheet named "G-4.3 Upwards SG&A" to demonstrate that the SG&A listing in G-4.1 is complete by reconciling the SG&A listing to the trial balance and the audited income statement.
   - You must provide this list in electronic format using the template provided.
   - Please use the formulas provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.

POSCO provides the spreadsheet named as "G-4.3 Upwards SG&A" on Exhibit G-10 [CONFIDENTIAL ATTACHMENT] for reconciliation between the SG&A listing and income statement.

4. Please provide the relevant general ledgers (i.e. the detailed listings) of all SG&A accounts (in Excel) covering the period and the most recent financial year.

POSCO provides the relevant trial balance of all SG&A accounts on Exhibit G-11 [CONFIDENTIAL ATTACHMENT].

G-5 Cost to make the goods exported to Australia

1. Complete the worksheet named "G-5 Australian CTM".
   - This worksheet lists the quarterly cost to make the Australian models of the goods under consideration by MCC manufactured within the period.
   - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
   - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
   - You must provide this list in electronic format using the template provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.
   - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

POSCO provides the actual cost to make and sell for each model sold on the domestic market in the spreadsheet titled "G-5 Australian CTM" on Exhibit G-12 [CONFIDENTIAL ATTACHMENT]. POSCO collected the requisite information needed to calculate the production costs on a quarterly basis from the

[CONFIDENTIAL TEXT DELETED] system. Accordingly, the cost data is reported on a quarterly basis over the investigation period.

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

The requested worksheet "G-5.2 Australian CTM source" is provided in Exhibit G-13 [CONFIDENTIAL ATTACHMENT].

G-6 Cost allocation method

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

POSCO maintains a process-based costing methodology. Direct material, direct labour, and other direct costs charged to direct cost centres reflect the actual production processes. POSCO's actual costing system identifies individual cost elements into [CONFIDETNAIL TEXT DELETED – costing and reporting method]. [CONFIDETNAIL TEXT DELETED – costing and reporting method] then assigned an MCC in accordance with the MCC criteria given by the Committee, and total costs are accumulated by MCC.

Direct material costs, including into [CONFIDETNAIL TEXT DELETED – costing and reporting method], which result from allocations in the relevant cost centres, are also summarized.

Based on this cost data, POSCO calculated and reported the weighted-average raw material cost by MCC.

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the allocation method described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

The cost sample calculation showing how to report "cost by MCC" from normal cost accounting is provided in Exhibit G-14 [CONFIDENTIAL ATTACHMENT].

G-7 Major raw material costs

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

The significant inputs into the production of the goods are coal and iron ore (for the upstream steelmaking process), as well as zinc (for the galvanizing process). In addition, various alloys such as limestone, manganese, and ferro-alloys are used to enhance characteristics such as strength and flexibility. However, these alloys represent only a minor portion of the total raw material cost. Accordingly, in this response, coal, iron ore, and zinc are reported as the major raw materials.

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named “G-7.2 Raw material CTM” for these raw materials.

- This worksheet lists the quarterly cost to make the raw material manufactured within the period.
- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

POSCO provides the details of raw materials sourced as part of its integrated production process in the worksheet titled "G-7.2 Raw material CTM" in Exhibit G-15 [CONFIDENTIAL ATTACHMENT].

As explained above, POSCO produces a full range of steel products, including the goods under consideration. In the upstream process, [CONFIDENTIAL TEXT DELETED – production process]. Accordingly, POSCO provides the actual production cost of the preceding processes (i.e., the cost of [CONFIDENTIAL TEXT DELETED – integrated production]) in Exhibit G-15 as per the questionnaire's request.

3. Using the domestic cost data in "G-3 Domestic CTM" (use "G-5 Australian CTM" if you have no domestic production of like goods), calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

POSCO provides the weighted average percentage of each raw material cost as a proportion of total cost to make in Exhibit G-16 [CONFIDENTIAL ATTACHMENT].

4. For each raw material identified in G-7.3 which individually account for <u>10% or more</u> of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"
   - This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
   - You must provide this list in electronic format using the template provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.

The requested information – the purchase list of coal, iron ore, and zinc is provided in Exhibit G-17 [CONFIDENTIAL ATTACHMENT].

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

The source of the data is the [CONFIDENTIAL TEXT DELETED] ERP system ([CONFIDENTIAL TEXT DELETED] module)]. Whenever the company purchases raw materials, the purchase data is recorded in the [CONFIDENTIAL TEXT DELETED] module based on the purchase order number.

6. For each raw material:
   (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.
   (b) Reconcile the total value listed in "G-7.4 Raw material purchases" listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Requested information is provided in Exhibit G-18(a) (Sample documents of raw material purchases) and Exhibit G-18(b) (Reconciliation of raw materials) [CONFIDENTIAL ATTACHMENTS].

7. Are any of the suppliers in “G-7.4 Raw material purchases” listing related to your company? If yes, please provide details on how the price is set.

As explained above, POSCO purchases certain raw materials from related suppliers which may be either affiliates or subsidiaries of POSCO. In Exhibit G-17, POSCO has provided the total quantity and value of the main raw materials, such as coal, iron ore, and zinc, purchased from both related and unrelated suppliers during the POI, along with the average unit purchase price.

As shown in Exhibit G-17, purchases of major raw materials from affiliated suppliers account for [CONFIDENTIAL TEXT DELETED] portion of total purchases. There is no significant price difference between related and unrelated suppliers. Minor price differences are attributable to factors such as order timing and raw material quality. In addition, most related suppliers are also trading companies that procure these raw materials from unrelated manufacturers. Therefore, transactions with both unaffiliated and affiliated suppliers are all conducted on an arm's length basis.

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

1. Please complete the worksheet named “G-8 Upwards costs” to demonstrate that the cost listings in G-3 and G-5 are complete.
   - You must provide this list in electronic format using the template provided.
   - Please use the currency that your accounts are kept in.
   - If you have used formulas to complete this worksheet, these formulas must be retained.

POSCO provides the spreadsheet named as "G-8 Upwards costs" on Exhibit G-19 [CONFIDENTIAL ATTACHMENT].

2. Please provide all documents and worksheets, other than those in A-4, G-3 and G-5, required to complete the “G-8 Upwards costs” worksheet.
   - For example, worksheets showing how you identified and categorised the cost to make:
     - the goods under consideration and other costs (e.g. non-goods or tolling services)
     - Domestic, Australian and third country goods under consideration
   - If the documents include spreadsheets, all formulas used must be retained.
   - There must not be any balancing amounts. All amounts must be supported by source documents or worksheets.

The requested supporting documents are included in Exhibit G-19.

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:
   - the name of the source document, including the relevant page number, in column D of the worksheet <u>and</u>
   - highlight or annotate the amount shown in the source document <u>and</u>
   - provide the account number and sub-account number (if applicable) at column E of the worksheet.

The requested supporting documents are included in Exhibit G-19.

G-9 Production of the goods under consideration

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

The production quantities are recorded at the [CONFIDENTIAL TEXT DELETED] level in the cost accounting system. For reporting purposes, POSCO assigned an MCC to all [CONFIDENTIAL TEXT DELETED] and then summarized the production quantities at the MCC level using [CONFIDENTIAL TEXT DELETED] data. As the next step, POSCO created a list of MCCs sold in the domestic and Australian markets based on sales data. Finally, POSCO aggregated the production quantities according to this MCC list and reported them in "G-3 Domestic CTM" and "G-5 Australian CTM."

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

The source of the production quantity data is the [CONFIDENTIAL TEXT DELETED] module. The [CONFIDENTIAL TEXT DELETED] module manages [CONFIDENTIAL TEXT DELETED – details of data record and management].

3. Briefly explain the reasons for any differences between:

   (a) the production quantities reported at worksheet "G-3 domestic CTM" and the sales volumes reported at worksheet "D-2 domestic sales" and

   (b) the production quantities reported at worksheet "G-5 Australian CTM" and the sales volumes reported at worksheet "B-2 Australian sales".

The main reason why there is a difference between sales quantity and production quantity is that POSCO does not manage production information by sales market. In other words, production data does not include sales information or shipment information. As described above, the company manages manufacturing costs and production quantities at [CONFIDENTIAL TEXT DELETED – costing practice]. In summary, POSCO reported all production quantities and cost of manufacturing during the investigation period at the level of each MCC regardless of the sales market.

4. Describe how your company determines its volume of production for the goods, product mix of production and the factors that contribute to these decisions. How frequently are production volumes determined for the goods? How frequently is the product mix determined for the goods?

POSCO primarily produces and sells products based on customer orders rather than on an inventory basis. As it generally takes [CONFIDENTIAL TEXT DELETED] from the date of receiving a sales order to the completion of production, a monthly production plan is established based on the product information scheduled for release in the following month.

5. What lead times are typically needed to adjust volumes of production for the goods?

As described above, production planning is generally carried out on a monthly

basis. In the event of an urgent order, production planning is rarely adjusted. When such adjustments are necessary, several days are needed to revise the production plan.

G-10 Capacity Utilisation

6. Please complete the worksheet named "G-10 Capacity Utilisation".
   - You must provide this list in electronic format using the template provided.
   - If you have used formulas to complete this worksheet, these formulas must be retained.

POSCO provides the spreadsheet named as "G-10 Capacity Utilisation" on Exhibit G-20 [CONFIDENTIAL ATTACHMENT].

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

POSCO manages production capacity by production line. This capacity is determined when the machinery is first installed for each production line. In general, capacity is calculated as follows: MT per hour × 24 hours × (general working days in a year − regular maintenance period) **For capacity utilization calculations, POSCO uses the actual production quantity.**

8. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes:
   (a) What is the capacity of these facilities?
   (b) What was the monthly amount of inventory maintained during the investigation period?
   (c) What is the average period of time that inventory is retained (describe how this is calculated)?

As explained above, POSCO primarily produces and sells products based on customer orders rather than on an inventory basis. Therefore, once the production of the product is completed, the products are moved to a temporary inventory storage area within the plant. When the shipment date is agreed with the customer, it is shipped directly from the plant to the customer. In some cases, certain products are transferred to a warehouse for storage before being shipped to the customer. Such cases are rare, and in most instances, products are shipped from the plant to the customer within [CONFIDENTIAL TEXT DELETED] days of production completion.

9. Have there been any changes to the type of capital or technology utilised by your company in the manufacturing of the goods in the last five years? If yes, provide details.

There have been no significant changes to the type of capital or technology utilised in the past five years, so that question is not applicable.

10. For each plant capable of producing inputs that could be utilised to make the goods, provide the date that production facility came into operation and the production capacity of the plant over the past five years. The production capacity should be based on an actual production capacity, not a budgeted production capacity.

As described above, the work-in-process that can be used to produce the goods is [CONFIDENTIAL TEXT DELETED – production process]. POSCO produces [CONFIDENTIAL TEXT DELETED – production process]. POSCO provides the

production capacity of these upstream facilities and the date of operation in Exhibit G-21 [CONFIDENTIAL ATTACHMENT].

11. List any significant investments in the past five years to either upgrade, refurbish or build any of the plants used in the production of the goods.

POSCO has not made any significant investments in the production line for the GUC in the past five years. Therefore, this question is not applicable.

EXPORTER'S DECLARATION

I hereby declare that POSCO

have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this questionnaire is complete and correct to the best of my knowledge and belief.

[POSCO CERTIFICAITON PAGE DELETED]

APPENDIX
GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: s*ales occurring at different times*

(it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); s*pecification differences; packaging; taxes; level of trade; advertising; after sales services; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.*

Adjustments may also be required where the normal value is based on costs to make and sell.

Arms length

Sales are not considered to be at “arms length” on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Constructed value

In cases where prices paid for like goods sold in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The commission will normally use the invoice date as recorded in the exporter or producer’s records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information. Note that any date of sale claim, other than the invoice date, that is made after submitting a response to this questionnaire may not provide the commission with sufficient time to assess the claim and may not be considered.

Direct labour cost

Direct labour is categorised as a variable cost, i.e. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs e.g. power, supplies, indirect labour and fixed costs e.g. factory rent, factory insurance, factory depreciation etc.

Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc. paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance)
	the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to

	the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

The period

A period defined by the commission over which importations of the goods are examined.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods or that, although not alike in all respects have characteristics closely resembling those of the goods. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based on all costs to make and sell the goods, and an amount for profit. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- domestic sales of like goods
- sale of goods of the same general category by the exporter or
- sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director’s fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.