



Australian Government
Department of Industry,
Innovation and Science

**Anti-Dumping
Commission**

Exporter Questionnaire



Case number: 499

Product: Hollow Structural Steel Sections

From: Japan, Republic of Korea (Korea), Taiwan
(except for exports by Feng Hsin Steel Co Ltd)
and the Kingdom of Thailand (Thailand)

Review period: 1 January 2018 to 31 December 2018

Response due by: 11 February 2019

Extended to 4 March 2019

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Return completed questionnaire to: investigations2@adcommission.gov.au

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

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INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting a Review of Anti-dumping measures into hollow structural steel sections exported to Australia from the Republic of Korea, the Kingdom of Thailand, Taiwan (except for exports by Feng Hsin Steel Co Ltd) and Japan.

The Commission will use the information you provide to determine normal values and export prices over the Review period (the period). This information will determine whether hollow structural steel sections are dumped.

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 case manager 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 case manager, 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

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- 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 by email listed on the cover page. 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 deemed as an uncooperative exporter.

Verification of the information that you supply

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

The verification visit 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.

Any verification visit typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with planning of a verification visit, please contact the case manager as soon as possible for a potential verification date to be scheduled.

Verification is usually conducted over 4 days. However, in complex cases, a verification visit may be scheduled over 5 days. A verification visit 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 visit.

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 visit, which details the outcomes of the visit. 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.

The Commission may elect to undertake an alternative verification methodology than an on-site verification to satisfy itself of the completeness, relevance and accuracy of the data.

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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.
- 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-5.6)
- 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 case officer as soon as possible.
- Where possible, electronic data should be emailed or shared with the Commission via SIGBOX, a secure online document repository. Please contact the case manager 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	<input checked="" type="checkbox"/>
Section B Export sales to Australia	<input checked="" type="checkbox"/>
Section C Exported goods & like goods	<input checked="" type="checkbox"/>
Section D Domestic sales	<input checked="" type="checkbox"/>
Section E Due allowance	<input checked="" type="checkbox"/>
Section F Third country sales	<input checked="" type="checkbox"/>
Section G Cost to make and sell	<input checked="" type="checkbox"/>
Exporter's declaration	<input checked="" type="checkbox"/>
Non-confidential version of this response	<input checked="" type="checkbox"/>

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	<input checked="" type="checkbox"/>
B-4 Upwards sales	<input checked="" type="checkbox"/>
B-5 Upwards selling expenses	<input checked="" type="checkbox"/>
D-2 Domestic sales	<input checked="" type="checkbox"/>
F-2 Third country sales	<input checked="" type="checkbox"/>
G-3 Domestic CTM	<input checked="" type="checkbox"/>
G-4.1 SG&A listing	<input checked="" type="checkbox"/>
G-4.2 Dom SG&A calculation	<input checked="" type="checkbox"/>
G-5 Australian CTM	<input checked="" type="checkbox"/>
G-7.2 Raw material CTM	<input type="checkbox"/>
G-7.4 Raw material purchases	<input checked="" type="checkbox"/>
G-8 Upwards costs	<input checked="" type="checkbox"/>

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices are hollow structural steel sections.

The goods subject to anti-dumping measures (the goods) are

Hot rolled structural steel sections in the following shapes and sizes, whether or not containing alloys:

- *universal beams (I sections), of a height greater than 130mm and less than 650mm;*
- *universal columns and universal bearing piles (H sections), of a height greater than 130mm and less than 650mm;*
- *channels (U sections and C sections) of a height greater than 130mm and less than 400mm; and*
- *equal and unequal angles (L sections), with a combined leg length of greater than 200mm.*

Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from coverage of the investigation.

Excluded goods

The measures do not apply to the following goods:

- *hot rolled 'T' shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails; and*
- *sections manufactured from welded plate (e.g. welded beams and welded columns).*

Tariff classification

Goods identified as hot rolled non-alloy steel sections, as per the shapes and sizes described above, are classified to the following tariff subheadings in schedule 3 to the *Customs Tariff Act 1995*:

- 7216.31.00 statistical code 30 (channels — U and C sections);
- 7216.32.00 statistical code 31 (universal beams — I sections);
- 7216.33.00 statistical code 32 (universal column and universal bearing piles — H sections); and
- 7216.40.00 statistical code 33 (equal and unequal angles — L sections).

Goods identified as hot rolled alloy steel sections, as per the shapes and sizes described above, are classified to tariff subheading 7228.70.00 (statistical codes 11 and 12) in schedule 3 of the *Customs Tariff Act 1995*.

Model Control Code structure

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

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(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.

Category	Sub-category	Identifier	Sales data	Cost data	Key category
Prime	Prime	P	Mandatory	Not applicable	Yes
	Non-prime	N			
Shape	Universal Beams ('I' sections)	I	Mandatory	Mandatory	Yes
	Universal Columns and Universal Bearing Piles ('H' sections)	H			
	Channels ('U' or 'C' sections)	C			
	Angles (Equal and Unequal Angle sections)	A			
Minimum yield strength	Less than 265 MPa	A	Mandatory	Mandatory	Yes
	Greater than or equal to 265 MPa	B			
Tensile strength	Less than 400 MPa	A	Optional	Optional	No
	Greater than or equal to 400 MPa and less than 450 MPa	B			
	Greater than or equal to 450 MPa and less than 500 MPa	C			
	Greater than or equal to 500 MPa	D			
Thickness	Minimum cross-sectional thickness less than 11mm	1	Optional	Optional	No
	Minimum cross-sectional thickness greater than or equal to 11mm	2			
Dimension	Beam or section height less than 230 mm	S	Optional	Optional	No

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	Beam or section height equal to or greater than 230 mm	L			
Weldability	Carbon equivalent value specified in relevant standard	Y	Optional	Optional	No
	Carbon equivalent value not specified in relevant standard	N			

Prime refers to steel that is of acceptable quality for the application for which it is intended and not of some lower level of quality such as *defective*.

Shape refers to section such as beam, column, channel or angle.

Minimum yield strength refers to steel made to a standard which explicitly specifies minimum yield strength.

Tensile strength refers to minimum tensile strengths.

Thickness refers to the minimum thickness of flanges or webs.

Dimension refers to beam, column, channel or angle height.

Weldability refers to steel made to a standard which explicitly specifies a maximum carbon equivalent value.

As an example of how goods will be classified using only the mandatory categories of this MCC structure: Prime 'I' section Universal Beam with minimum yield strength of 400 MPa would have an MCC of P-I-B.

The MCCs will be used to model 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 test 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 deemed deficient.

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Head office:

Name	Sungjoo Lee
Position	Deputy General Manager
Address	12 Heolleung-Ro, Seocho-Gu Seoul Republic of Korea
Telephone	+82 2 3464 6145
Facsimile number	+82 2 3464 6460
Email address of contact person	radin77@hyundai-steel.com

Factory:

Incheon Plant	
Address	63 Jungbong-Daero, Dong-Gu Incheon Republic of Korea
Telephone	+82 32 760 2224
Facsimile number	+82 32 760 2224
Email address of contact person	nonoro@hyundai-steel.com
Pohang Plant	
Address	6363 Donghaean-Ro, Nam-Gu Pohang Gyeonsangbuk-Do Republic of Korea
Telephone	+82 54 271 1725
Facsimile number	+82 54 271 1241

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Email address of contact person	brioguy@hyundai-steel.com
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2. If you have appointed a representative, provide their contact details:

Name	Charles Zhan
Position	Senior Associate, Moulis Legal
Address	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory Australia 2609
Telephone	(+612) 6163 1000
Facsimile number	(+612) 6162 0606
Email address of contact person	charles.zhan@moulislegal.com
All communications in relation to this matter should be directed to Moulis Legal in the first instance.	

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 the company's financial records are held.

The accounting records of Hyundai Steel are primarily held at its head office in Seoul. Information about Hyundai Steel locations is provided in Attachment A-1.3 [CONFIDENTIAL ATTACHMENT].

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

The production records of Hyundai Steel are primarily held at its head office in Seoul. Original documentation relating to production is also held at the relevant production plant. As stated, information about Hyundai Steel locations is provided in Attachment A-1.3 [CONFIDENTIAL ATTACHMENT].

A-2 Company information

1. What is the legal name of your business?

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Hyundai Steel Company (“Hyundai Steel”) was established in September 1964 in accordance with the Commercial Laws of the Republic of Korea. Hyundai Steel was listed on the Korean Stock Exchange in May 1987.

Hyundai Steel manages five manufacturing facilities. They are in Dangjin, Incheon, Ulsan, Suncheon and Pohang. Various kinds of steel products are produced in these factories.

The goods under consideration (hereinafter “the goods” or “GUC”), are produced at the Incheon and Pohang plants.

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

Hyundai Steel uses the name and style “Hyundai Steel Company” when it exports and/or sells the goods.

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

No, Hyundai Steel has not been known by a different legal and/or trading name.

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

List of board of directors as of December 31, 2018 are as follows:

[CONFIDENTIAL TABLE DELETED]

[CONFIDENTIAL TEXT DELETED – comment concerning change(s) to the board of directors in the last two years]

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

Hyundai Steel is a member company of the Hyundai Motor Group through cross-ownership.

Pursuant to Korean law, Hyundai Motor Group is composed of [CONFIDENTIAL TEXT DELETED – number] listed companies and [CONFIDENTIAL TEXT DELETED – number] unlisted companies.

A diagram of ownership amongst the companies of Hyundai Motor Group is provided in Attachment A-2.5.1 [CONFIDENTIAL ATTACHMENT]. A list of all related companies including Hyundai steel’s shareholders and subsidiaries - and its functions is provided in Attachment A-2.5.2 [CONFIDENTIAL ATTACHMENT].

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6. Is your company or parent company publically listed?

If yes, please provide:

- (a) The stock exchange where it is listed; and
- (b) Any principle shareholders¹

If no, please provide:

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

Hyundai Steel's principal shareholder, Kia Motors and Kia Motors' principal shareholder, Hyundai Motors are listed on the Korea Stock Exchange Market (KOSPI).

As of 31 December 2018, the principal shareholders (those having 5% or more of the maximum amount of votes) of Hyundai Steel, Kia Motors and Hyundai Motors were as follows:

[CONFIDENTIAL TABLE DELETED]

7. If your company is a subsidiary of another company, list the principal What is the overall nature of your company's business? Include details of the products that your company manufacture and sell and the market your company sells into.

Hyundai Steel is not a subsidiary of any other companies.

Hyundai Steel is a producer of a wide variety of steel products. It produces its own steel for the manufacture of other steel products.

Hyundai Steel produces a wide variety of products such as [CONFIDENTIAL TEXT DELETED – products which are not the goods], H section, angle, channel, [CONFIDENTIAL TEXT DELETED – products which are not the goods]. It sells the products on the domestic market in Korea, and into export markets.

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.

Hyundai Steel performs all these functions.

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.

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9. Provide your company's internal organisation chart.

An internal organization chart of Hyundai Steel is provided in Attachment A-2.9 [CONFIDENTIAL ATTACHMENT].

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

The GUC, together with other structural steel sections such as rails, are produced at the "Structural Sections" division at both the Incheon and Pohang plants.

Sales of the goods are performed by the Sales Department which is located in Seoul, Korea.

Within the Sales Department, the Export Sales team is responsible for export sales of the goods, while the Domestic Sales team manages the sales of the goods on the domestic market.

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

Hyundai Steel's product brochure is provided at Attachment A-2.11.

A-3 General accounting information

1. What is your financial accounting period?

Hyundai Steel's accounting period is calendar year basis. That is, the accounting period of Hyundai Steel starts on 1 January and ends on 31 December.

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

Hyundai Steel's financial accounts are audited by KPMG Samjong Accounting Corporation.

3. What currency are your accounts kept in?

Hyundai Steel's accounts are kept in Korean Won.

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

Hyundai Steel uses the [CONFIDENTIAL TEXT DELETED – proprietary financial system].

In the [CONFIDENTIAL TEXT DELETED – proprietary financial system], Hyundai enters journal entries to generate the accounting vouchers. Financial statement such as trial balance, income statement, balance sheet and etc. are automatically generated with all accumulated accounting vouchers for AR, AP, revenue, SGA expenses and manufacturing expenses

5. What is the name of your sales system?

Hyundai Steel [CONFIDENTIAL TEXT DELETED – proprietary financial system] for sales. [CONFIDENTIAL TEXT DELETED – information about Hyundai Steel's sale system].

6. What is the name of your production system?

There is no separate production system, all accounting vouchers incurred in each plant are gathered in [CONFIDENTIAL TEXT DELETED – proprietary financial system] system and [CONFIDENTIAL TEXT DELETED – management of cost accounting system].

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.

[CONFIDENTIAL TEXT DELETED – comment about system integration]

In the monthly accounting closing, [CONFIDENTIAL TEXT DELETED – comment about system integration and accounting treatment]

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

The accounting practices adopted by Hyundai Steel are in accordance with generally accepted accounting principles in Korea.

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

The only changes in the accounting methods used by Hyundai Steel over the last two years were those in line with the amendments to K-IFRS and new interpretations mandatorily effective from 1 January 2018. This required a change of the classification and measurement method for concerning financial

instrument. Accounting policies have been applied consistently to all periods presented in the separate financial statements.

Hyundai Steel provides a flowchart of its cost accounting system in Attachment A-3.9 [CONFIDENTIAL ATTACHMENT].

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.

Hyundai Steel's consolidated and unconsolidated audit report including audited financial statements for the two most recently completed financial years are provided in the attachments, as follows [CONFIDENTIAL ATTACHMENTS]

- Attachment A-4.1.1: Consolidated Audit Report 2016 – English
- Attachment A-4.1.2: Consolidated Audit Report 2017 – English
- Attachment A-4.1.3: Unconsolidated Audit Report 2016 – English
- Attachment A-4.1.4: Unconsolidated Audit Report 2017 – English

Please note the reports for the 2018 period have not been finalised at the time of this response. The reports are [CONFIDENTIAL TEXT DELETED – corporate arrangement].

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

Hyundai Steel's financial statements provided under A-4.1 are audited

3. 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; and
 - b. the period.

Hyundai Steel [CONFIDENTIAL TEXT DELETED – comment about profit centres].

4. If the period is different to your financial period, please provide:

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- a. Income statements directly from your accounting information system covering the most recent financial period and the period; or
- b. Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

The investigation period is the same as Hyundai Steel's financial period.

Hyundai Steel provides its unaudited 2018 income statement in Attachment A-4.4 [CONFIDENTIAL ATTACHMENT]

5. Please provide a copy of your company's trial balance covering the most recent financial year.

Hyundai Steel's trial balance in 2018 is provided in Attachment A-4.5 [CONFIDENTIAL ATTACHMENT].

6. Please provide your company's chart of accounts

Hyundai Steel's chart of accounts in 2018 is provided in Attachment A-4.6 [CONFIDENTIAL ATTACHMENT].

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

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 any entities (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

The general sales process for export sales is as follows:

- (a) **[CONFIDENTIAL TEXT DELETED – comment about marketing and advertising activities].**
- (b) **When Hyundai Steel get an offer from customer, the salesperson negotiates the price on a transaction-by-transaction basis, in consideration of market circumstances, supply-demand conditions, etc.**
- (c) **Hyundai Steel negotiates with Australian distributors with whom Hyundai Steel is in contact. Sales terms such as price, volume, delivery terms, payment terms, etc. are negotiated.**
- (d) **Once terms are agreed, the customer would place a purchase order with Hyundai Steel. Hyundai Steel’s sales team will then [CONFIDENTIAL TEXT DELETED – sales process and commercial arrangement].**
- (e) **The sales team would then [CONFIDENTIAL TEXT DELETED – sales process and commercial arrangement].**
- (f) **When production is completed, Hyundai Steel arranges for the transportation of the GUC based on the delivery terms.**
- (g) **After confirmation of sale through issuance of sales order, Hyundai Steel’s sales team would also [CONFIDENTIAL TEXT DELETED – sales process and commercial arrangement].**

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- (h) **[CONFIDENTIAL TEXT DELETED – commercial arrangement re payment collection].**
- (i) **[CONFIDENTIAL TEXT DELETED – sales process and commercial arrangement with various types of customers].**

2. In what currency do you invoice your Australian customers? If it is not in your local currency:

- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;

Hyundai Steel negotiates its sales contracts with Australian customers in [CONFIDENTIAL TEXT DELETED – currency]. Hyundai Steel receives payments from Australian customers into its bank accounts in [CONFIDENTIAL TEXT DELETED – currency].

- (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;

[CONFIDENTIAL TEXT DELETED – comment about forward contracts].

- (c) How is the exchange rate determined and how often is it updated in your accounting system?

Hyundai Steel use the daily publicly-announced Bank of Korea exchange rate. Hyundai Steel updates the exchange rate daily in its accounting system.

3. Are there any Australian 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.

Hyundai Steel is not related to any of its Australian customers.

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

Australian sales prices are determined on a transaction-by-transaction basis, in consideration of market circumstances, competitiveness, raw material price, supply-demand conditions, customer relationships in the Australian market, and etc. [CONFIDENTIAL TEXT DELETED – pricing policy].

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.

Consistent and distinct differences depending on the channel are not identified at this time.

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6. Did you provide on-invoice discounts and/or off-invoice rebates to any Australian customer or an associate of the customer in relation to the sale of the 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.

[CONFIDENTIAL TEXT DELETED – sales practice information].

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 during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

[CONFIDENTIAL TEXT DELETED – sales practice information].

8. The invoice date will normally be taken to be the date 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?

Hyundai Steel claims and reports the sales order date as the date of sale, being the date of the Australian sales transactions that best establishes the material terms of the sale of the exported goods, under Section 269TAF(1) of the *Customs Act 1901*.

(b) Why does this date best reflect the material terms of sale?

Hyundai Steel considers the sales order date is the most appropriate date of sale as it best reflects the time at which the material terms of the contract (being the contract terms relating to price and quantity of the sale) are established.

B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"
- This worksheet lists all export sales (i.e. transaction by transaction) to Australia of the goods invoiced within the period.
 - If you have claimed in B-1.8 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 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.

Hyundai Steel provides its “Australian Sales” in Attachment B-2.1 [CONFIDENTIAL ATTACHMENT] with all of the GUC exported to Australia during the period of review.

Hyundai Steel provides the following additional explanations and clarifications in respect of the information in the columns in the “Australian Sales” listing:

[CONFIDENTIAL TEXT DELETED – explanation regarding confidential spreadsheet]

2. Provide a table listing the source of the data for each column in the export sales listing (B-2.1).

The sources of the data of each column in the Australia sales listing is from the Hyundai Steel sales database in the integrated sales system

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 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.

Hyundai Steel provides documentation for the two samples based on transaction value. Please refer to Attachments B-3.1.1 and B-3.1.2 [CONFIDENTIAL ATTACHMENTS].

2. For each document, please annotate the documents or provide a table reconciling the details in the export listing (in B-2) to the source documents (in B-3.1).

Please refer to Attachment B-3.1.1 and B-3.1.2. [CONFIDENTIAL ATTACHMENTS].

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listing 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.

Please refer to Attachment B-4.1 [CONFIDENTIAL ATTACHMENT].

2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5, B-2 and D-2, required to complete the "Upwards sales" worksheet. If the documents include spreadsheets, all formulas used must be retained.

Trial balances reconciled with Upwards sales are provided in Attachment B-4.2 [CONFIDENTIAL ATTACHMENT].

3. For any amount in the "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 F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

This information is included in Attachment B-4.2. [CONFIDENTIAL ATTACHMENT].

B-5 Reconciliation of direct selling expenses to financial accounts

1. Please complete the worksheet named "B-5 Upwards selling expense" to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-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.

Please refer to Attachment B-5.1 [CONFIDENTIAL ATTACHMENT].

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2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5, B-2 and D-2, required to complete the “Upwards SG&A” worksheet. If the documents include spreadsheets, all formulas used must be retained.

Trial balances reconciled with Upwards SG&A are provided in Attachment B-5.2 [CONFIDENTIAL ATTACHMENT].

3. For any amount in the “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 F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

This information is included in Attachment B-5.2. [CONFIDENTIAL ATTACHMENT].

SECTION C EXPORTED GOODS & LIKE GOODS

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.

The GUC Hyundai Steel exported to Australia during the review period is hot rolled structural steel sections with AS/NZS Grade 300.

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.

Hyundai Steel provides list of MCC for goods exported to Australia at Attachment C-1.2 [CONFIDENTIAL ATTACHMENT]. The MCCs listed in the B-2 spreadsheet are of the following:

- P-C-B-B-S;
- P-C-B-B-L;
- P-H-B-B-S;
- P-H-B-B-L;

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.

Hyundai Steel provides a list of MCC for goods sold to domestic market in the spreadsheet in Attachment C-2.1 [CONFIDENTIAL ATTACHMENT]. The “Product Codes” reported in the “Domestic Model” column are as reported in the “Australian Sales” and “Domestic Sales” listings.

For further technical information please refer to the product brochure provided at Attachment A-2.11.

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.

Hyundai Steel provides the list of MCC for goods sold to domestic market at Attachment C-2.1. [CONFIDENTIAL ATTACHMENT].

The MCCs listed in the D-2 spreadsheet are of the following:

- P-A-A-B-L
- P-A-A-B-S
- P-A-B-B-L
- P-A-B-B-S
- P-A-B-C-L
- P-A-B-C-S
- P-A-B-D-L
- P-A-B-D-S
- P-C-A-A-L
- P-C-A-A-S
- P-C-A-B-L
- P-C-A-B-S
- P-C-B-B-L
- P-C-B-B-S
- P-C-B-C-L
- P-C-B-C-S
- P-H-A-A-L
- P-H-A-B-L
- P-H-A-B-S
- P-H-B-B-L
- P-H-B-B-S
- P-H-B-C-L
- P-H-B-C-S
- P-H-B-D-L
- P-H-B-D-S
- P-I-A-B-L
- P-I-A-B-S
- P-I-B-B-L
- P-I-B-B-S
- P-I-B-C-L

As will show below, Hyundai has classified the goods according to the Commission's proposed MCC according to following categories:

- Prime;
- Shape;
- Yield;
- Tensile;
- Dimension.

For further technical information please refer to the product brochure provided at Attachment A-2.11.

The classification is consistent with method adopted by the Commission in previous review and investigations for the same product, which determined model matching based on shape, tensile strength and dimension. For Hyundai Steel, the

tensile strength is the most relevant characteristic for the GUC and is capable to achieve and better suited for model matching purpose. For instance, a model matching based on only the three “key” subcategories would result in a too broad classification, that groups Australian grades such as Grade 300 and Grade 350 in the same category. On the other hand, the model matching outcome utilising both yield strength and the tensile strength provide a model matching outcome consistent with the Commission’s previous findings.

Accordingly, Hyundai Steel considers that tensile strength should also be considered a “key” and subcategory for MCC purpose.

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.

Hyundai Steel’s ERP system assigns [CONFIDENTIAL TEXT DELETED – product code]

For the purpose of this response Hyundai Steel manually matched the item description from the Hyundai sales report database and inventory ledger to the MCC.

Hyundai Steel provides the mapping table between product code and MCC at Attachment C-3.1 [CONFIDENTIAL ATTACHMENT].

- (c) Provide a table of showing the product or SKU codes for each MCC.

Please refer to Attachment C-3.1. [CONFIDENTIAL ATTACHMENT]

If no:

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

Not applicable

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

[CONFIDENTIAL TEXT DELETED – trade levels and sales practices relating to domestic sales of like goods]

[CONFIDENTIAL TEXT DELETED – sales and invoicing practices]

Payment is normally made based on an agreed payment term.

[CONFIDENTIAL TEXT DELETED – delivery terms]. In such cases, the delivery cost is normally included in the sales price.

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.

During the review period, Hyundai Steel made sales of the goods on the domestic market to [CONFIDENTIAL TEXT DELETED – customer information and sales practices]

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

Sales prices are determined on a transaction-by-transaction basis, in consideration of market circumstances, competitiveness, raw material price, supply-demand conditions, customer relationships in the domestic market, and etc.

[CONFIDENTIAL TEXT DELETED – pricing policy]

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.

Domestic selling prices are varied on various factors such as market condition, customer and distribution channel. [CONFIDENTIAL TEXT DELETED – sales practices relating to trade levels]

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 importer to obtain the discount.

[CONFIDENTIAL TEXT DELETED – sales practice information]

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.

[CONFIDENTIAL TEXT DELETED – sales practice information]

7. The invoice date will normally be taken to be the date 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?

Hyundai Steel reports the invoice date as the date of sales. Sales price should be fixed when the invoice is issued at least.

(b) Why does this date best reflects the material terms of sale?

The invoice date best reflects the material terms of sales for the domestic market [CONFIDENTIAL TEXT DELETED – sales practice information].

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 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.

Hyundai Steel provides its “Domestic Sales” listing in accordance with these instructions in Attachment D-2.1 [CONFIDENTIAL ATTACHMENT].

With respect to explanations of the information contained in the columns in the “Domestic Sales” listing, please refer to the explanations described in Section D with the following adjustments in the case of the domestic sales:

[CONFIDENTIAL TEXT DELETED – explanation regarding confidential spreadsheet]

2. Provide a table listing the source of the data for each column in the domestic sales listing prepared for your response to question D-2.1.

The sources of the data of each column in the domestic sales listing is from the Hyundai Steel sales database.

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 and accounts receivable ledger
 - Documents showing bank charges
 - Delivery invoices

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

Hyundai Steel provides the information for the two samples, based on the largest transaction values. Please refer to Attachments D-3.1.1 and D-3.1.2 [CONFIDENTIAL ATTACHMENTS].

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

Please refer to Attachment D-3.1.1 and D-3.1.2. [CONFIDENTIAL ATTACHMENTS]

D-4 Reconciliation of sales to financial accounts

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

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listing in D-2 is complete.
 - You must provide this list in electronic format using the template provided.

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- Please use the currency that your accounts are kept in.
- If you have used formulas to complete this worksheet, these formulas must be retained.

Please refer to Attachment B-4.1. [CONFIDENTIAL ATTACHMENT]

2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5 and D-2, required to complete the “Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.

Trial balances reconciled with Upwards sales are provided in Attachment B-4.2 [CONFIDENTIAL ATTACHMENT].

3. For any amount in the “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 F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

Please refer to Attachment B-4.1. [CONFIDENTIAL ATTACHMENT]

SECTION E DUE ALLOWANCE

E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
 - (a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
 - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
 - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover.

Hyundai Steel has specific terms agreed at the time of sale for the customer. We provided the number of days which explains the payment term on domestic database.

- (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?

Hyundai Steel has short term borrowings during POR and Hyundai Steel calculated interest rate by dividing total interest expenses incurred by weighted average short term borrowing balance during POR. Calculation of interest rate is provided in Attachment E-1.1 [CONFIDENTIAL ATTACHMENT].

- (c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?

Hyundai Steel has financial assets incurring interest income, however, because Hyundai Steel provides interest rate imputed from short term borrowings and interest expenses, Hyundai Steel does not report average interest rate imputed from financial assets.

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
 - (a) Do you provide a rolling credit facility to your Australian customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
 - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).

- ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover.

[CONFIDENTIAL TEXT DELETED – payment terms relating to Australian sales]

Supporting documentation for this has been provided in the Australian sales sample documents in Attachment B-3.1.1 and Attachment B-3.1.2. [CONFIDENTIAL ATTACHMENTS]

- (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
 - i. 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?
 - ii. What is the interest rate, or average of interest rates, applying to term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

Not applicable, [CONFIDENTIAL TEXT DELETED – payment terms relating to Australian sales].

E-2 Packaging

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

The sale of the goods uses a very minor amount of string and strap in its packaging. This is the same for both domestic and export sales.

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

The sale of the goods uses a very minor amount of string and strap in its packaging. This is the same for both domestic and export sales.

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

There is no difference in packaging for domestic and export sales.

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?

Actual export inland freight cost is reported in the “Inland Transportation Costs” column in the “Australian Sales” listing. We provide sample calculation worksheet, contract and the transaction detail which is provided in the domestic sales sample documents in Attachment D-3.1.1 and Attachment D-3.1.2. [CONFIDENTIAL ATTACHMENTS]

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

[CONFIDENTIAL TEXT DELETED – sales terms]

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

[CONFIDENTIAL TEXT DELETED – sales terms and reporting basis]

4. 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?

[CONFIDENTIAL TEXT DELETED – sales terms and reporting basis]

5. 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?

[CONFIDENTIAL TEXT DELETED – sales terms and reporting basis]

6. 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?

[CONFIDENTIAL TEXT DELETED – sales terms and reporting basis]

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.

[CONFIDENTIAL TEXT DELETED – sales practice]

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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?

[CONFIDENTIAL TEXT DELETED – detailed explanation regarding tax liability and Hyundai Steel accounting method]

- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

[CONFIDENTIAL TEXT DELETED – duty drawback]

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

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

There are no other direct selling expenses incurred concerning the *domestic* sales of the goods.

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

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

[CONFIDENTIAL TEXT DELETED – types of direct selling expenses sales based on sales terms]

Please refer to B-2.2 and E-3 above for detailed listing and explanations.

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.

- An adjustment will only be made where there is evidence that the difference affects price comparability.
- Refer to Chapter 14 of the Dumping and Subsidy Manual for more information.

Due to the physical difference of grade between domestic and export goods, which reflects the cost and price difference, adjustment is required, consistent with the view and methodology adopted by the Commission in the previous review. Therefore, Hyundai Steel has provided the calculation of physical difference adjustment in the Attachment E-5.1 [CONFIDENTIAL ATTACHMENT].

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.

Hyundai Steel's sales processes to the third country is not different to sales process to Australian market.

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.

[CONFIDENTIAL TEXT DELETED – third country sales]

3. The invoice date will normally be taken to be the date 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?

For third country sales in the current context Hyundai Steel reports the accounting date/sales revenue recognition date as the date of sales.

(b) Why does this date best reflects the material terms of sale?

For the third country export sales Hyundai Steel records the sales transaction in the sales system and material term of sales such as price and quantity are fixed and it is easy to reconcile the sales quantity and amount to the accounting data.

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 and customer, to third countries of like goods invoiced within the period.
 - 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.

Hyundai Steel reports summary of third country sales in Attachment F-2 [CONFIDENTIAL ATTACHMENT].

2. Provide a table listing the source of the data for each column in the export sales listing (F-2.1).

The sources of the data of each column in the third country sales listing are from the Hyundai Steel sales database.

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.

Because Hyundai Steel had sufficient domestic sales in the ordinary course of business to determine normal value, Hyundai Steel reports sales to third countries for the reference purpose.

Sales to third countries are affected by the circumstances of that market, and may differ based on the different market conditions.

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.

Hyundai Steel produces the goods in its Incheon and Pohang plants. The production process in each plant is the same.

The production process is as follows.

- (a) **Steel making process - the primary raw materials used for manufacturing the goods are [CONFIDENTIAL TEXT DELETED – raw materials and production arrangement]**
- (b) **Rolling process – [CONFIDENTIAL TEXT DELETED – production arrangement].**

A detailed product flow chart is provided in Attachment G-1 [CONFIDENTIAL ATTACHMENT]. [CONFIDENTIAL TEXT DELETED – by product information]. Most of the steel scrap that results from producing the goods is reintroduced to the steel making process. Very few portions of steel scrap are sold to external customers.

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.

[CONFIDENTIAL TEXT DELETED – purchase of raw material]

G-2. Cost accounting practices

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

Hyundai Steel's cost accounting system is based [CONFIDENTIAL TEXT DELETED – cost accounting policy]

2. If you company uses standard costs:
 - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 and 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?

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(d) Provide details of any significant or unusual cost variances that occurred during the period.

[CONFIDENTIAL TEXT DELETED – cost accounting policy]

3. 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.

Hyundai Steel has different cost centres for each plant, each production process and each team in Hyundai Steel's cost accounting system. The cost centres are constituted by [CONFIDENTIAL TEXT DELETED – detailed cost accounting practices].

[CONFIDENTIAL TEXT DELETED – cost accounting policy]

List of cost centres is provided at Attachment G-2.3 [CONFIDENTIAL ATTACHMENT].

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

Hyundai Steel maintains specific item codes in order to calculate the cost of manufacturing for each product. The item codes include the [CONFIDENTIAL TEXT DELETED – cost accounting policy].

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

Hyundai Steel's production costs are [CONFIDENTIAL TEXT DELETED – cost accounting policy]. There is no difference between production costs in the cost accounting system and the financial accounting system.

6. 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 in its accounting records.

Both plants are long established, and start-up operation costs were not incurred during the review period.

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

Inventories including raw material, work-in process and finished goods are stated by [CONFIDENTIAL TEXT DELETED – cost accounting policy].

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

Damaged or sub-standard goods are evaluated [CONFIDENTIAL TEXT DELETED – cost accounting policy].

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

[CONFIDENTIAL TEXT DELETED – cost accounting policy].

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

[CONFIDENTIAL TEXT DELETED – management/corporate fees]

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 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.

Hyundai Steel provides quarterly domestic CTM on a MCC basis at Attachment G-3.1 [CONFIDENTIAL ATTACHMENT].

2. Provide a table listing the source of the data for each column of the "Domestic CTM" listing (G-3.1).

Hyundai Steel provides the source of the data for domestic CTM in Attachment G-3.1. Basically, all information reported in Attachment G-3.1 are extracted from inventory ledger of finished goods and cost of manufacturing statement.

Hyundai Steel provides a sample cost calculation worksheet for the biggest MCC sold in the domestic market in Attachment G-6.2 [CONFIDENTIAL ATTACHMENT].

G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
 - This worksheet lists all selling, general and administration expenses by account code for the most recent accounting period and 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.

Hyundai Steel provides SG&A listing for domestic sales expenses in 2017 and 2018 at Attachment G-4.1.1. and SG&A calculation in 2018 at Attachment G-4.1.2. [CONFIDENTIAL ATTACHMENTS]

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.

Hyundai Steel provides domestic SG&A calculation on a MCC basis at Attachment G-4.1.2 [CONFIDENTIAL ATTACHMENT]. Hyundai Steel calculation domestic SG&A by multiplying SG&A ratio calculated in Attachment G-4.1.2 to quarterly weighted average domestic sales price for each MCC.

G-5 Cost to make the goods exported to Australia

1. Complete the worksheet named "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.

Hyundai Steel provides quarterly Australian CTM on a MCC basis at Attachment G-5.1 [CONFIDENTIAL ATTACHMENT].

2. Provide a table listing the source of the data for each column of the "Australian CTM" listing (G-5.1).

Hyundai Steel provides the source of the data for Australian CTM in Attachment G-5.1. Basically, all information reported in Attachment G-5.1 are extracted from inventory ledger of finished goods and cost of manufacturing statement.

G-6 Cost allocation methodology

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

[CONFIDENTIAL TEXT DELETED – cost reporting consistent with cost accounting practices of Hyundai Steel]. Please refer to Attachment G-6.1 [CONFIDENTIAL ATTACHMENT].

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 methodology described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

Hyundai Steel provides a sample cost calculation worksheet for the biggest MCC sold in the domestic market in Attachment G-6.2 [CONFIDENTIAL ATTACHMENT].

G-7 Major raw material costs

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

The only major raw material purchased by Hyundai Steel for production of the goods [CONFIDENTIAL TEXT DELETED – raw materials]. Hyundai Steel purchases

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[CONFIDENTIAL TEXT DELETED – raw materials] used for production of the GUC based on market price.

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.

Hyundai Steel purchases [CONFIDENTIAL TEXT DELETED – raw materials] from unaffiliated and affiliated companies. [CONFIDENTIAL TEXT DELETED – explanation regarding cost record for raw materials]

3. Using the domestic cost data in G-3, calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

[CONFIDENTIAL TEXT DELETED – raw materials and proportion to the total cost to make].

4. For each raw material identified in G-7.3 which individually accounts for 10% or more 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.

Hyundai Steel reports [CONFIDENTIAL TEXT DELETED – raw materials] purchase in Attachment G-7.4 [CONFIDENTIAL ATTACHMENT].

5. Provide a table listing the source of the data for each column of the “Raw material purchases” listing (G-7.4).

[CONFIDENTIAL TEXT DELETED – raw materials] purchase is reported in the Hyundai Steel procurement system – [CONFIDENTIAL TEXT DELETED – proprietary system]. All data from Attachment G-7.4 is sourced from [CONFIDENTIAL TEXT DELETED – source].

6. For each raw material:

- (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.

Hyundai Steel reports commercial invoice and payment document for two purchases of steel scraps in Attachment G-7.6.1 [CONFIDENTIAL ATTACHMENT].

- (b) Reconcile the total value listed of the purchases in G-7.4 to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Hyundai Steel reports reconciliation chart for steel scrap purchased in Incheon and Pohang plant in Attachment G-7.6.2 [CONFIDENTIAL ATTACHMENT].

7. Are any of the suppliers listed in G-7.4 related to your company? If yes, please provide details on how the price is set.

Hyundai Steel purchases [CONFIDENTIAL TEXT DELETED – raw materials] from unaffiliated or affiliated companies.

[CONFIDENTIAL TEXT DELETED – raw materials] purchase prices in purchase from different markets and from different customers regardless of affiliation in those markets vary depending on market circumstances, terms of trade (including freight terms), mix of suppliers, volume, etc.

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

1. Please complete the worksheet named “Upwards costs”.
- 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.

Hyundai Steel provides Upwards costs in Attachment G-8.1 [CONFIDENTIAL ATTACHMENT].

2. Please provide any documents, other than those in A-5, G-3 and G-5, required to complete the “Upwards costs” worksheet.

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Hyundai Steel uses information from income statement, cost of manufacturing cost and inventory ledger to make Upwards costs worksheet.

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 F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

Hyundai Steel provides the source of data or any formula if they have in Attachment G-8.1.

EXPORTER'S DECLARATION

I hereby declare that **Hyundai Steel Company** ("Hyundai Steel") have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name: **Sung-Joo Lee**

Signature:



**Position in
company:**

Manager

3rd Trade Affairs Team

Date: **28/02/2019**

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: *sales 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); *specification differences; packaging; taxes; level of trade; advertising; servicing/warranty; 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.

Arm's length

Sales are not considered to be at "arm's 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

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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.

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)

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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

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- sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration 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.