



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

Exporter Questionnaire

Dongbu Steel

Case number: 521

Product: Zinc coated (galvanised) steel

From: The Republic of Korea; Malaysia; Taiwan; and the Socialist Republic of Vietnam

Review period: 1 July 2018 to 30 June 2019 (the period)

Response due by: 30 September 2019

Extended to 10 October 2019

Case manager: Heidi Yang

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Return completed questionnaire to: investigations1@adcommission.gov.au

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

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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
Error! Not a valid bookmark self-reference.	<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"/>
	<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 checked="" type="checkbox"/>

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G-7.4 Raw material purchases	<input checked="" type="checkbox"/>
G-8 Upwards costs	<input checked="" type="checkbox"/>
G-9 Capacity Utilisation	<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:

Full description of the goods the subject of the application

In relation to **China, Korea and Taiwan**, the goods description is:

Flat rolled products of iron and non-alloy steel of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc

and:

Flat rolled iron or steel products containing alloys of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc exported from:

- *China by Angang Steel Co., Ltd or Benxi Iron and Steel (Group) International Economic & Trading Co.; or*
- *Taiwan by Yieh Phui Enterprise Co., Ltd*

In relation to **India, Malaysia and Vietnam**, the goods description is:

Flat rolled iron and steel products (whether or not containing alloys) that are plated or coated with zinc exported to Australia from India, Malaysia and Vietnam. Galvanised steel of any width is included.

Further information

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) with the prefix being Z (Zinc) or ZF (Zinc converted to a Zinc/Iron alloy coating). Common coating masses used for zinc coating are: Z350, Z275, Z200, Z100, and for zinc/iron alloy coating are: ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

The Commission understands from previous inquiries that trade and other names often used to describe galvanised steel include:

- "GALVABOND®" steel;
- "ZINCFORM®" steel;
- "GALVSPAN®" steel;
- "ZINCHITEN®" steel;
- "ZINCANNEAL" steel;

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- “ZINCSEAL” steel;
- Galv;
- GI;
- Hot Dip Zinc coated steel;
- Hot Dip Zinc/iron alloy coated steel; and
- Galvanneal.

The goods description includes galvanised steel whether or not including any (combination of) surface treatment, for instance; whether 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).

Painted galvanised steel, pre-painted galvanised steel, electro-galvanised plate steel and corrugated galvanised steel are not subject to the measures.

Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 of the *Customs Tariff Act 1995*:

- 7210.49.00 statistical code 55, 56, 57 and 58;
- 7212.30.00 statistical code 61;
- 7225.92.00* statistical code 38*
- 7226.99.00* statistical code 71*

*These tariff subheadings only apply: (1) All exporters from India, Malaysia and Vietnam, (2) Angang Steel Co. Ltd (China); (3) Benxi Iron and Steel (Group) International Economic and Trading Co. (China); and (4) Yieh Phui Enterprise Co. Ltd (Taiwan).

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	Key category
1		Alloy	A	Mandatory		YES

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Item	Category	Sub-Category	Identifier	Sales Data	Cost Data	Key category
	Alloy content	Non-alloy	NA		Not applicable	
2	Prime	Prime	P	Mandatory	Not applicable	YES
		Non – Prime	N			
3	Steel Base	Hot Rolled	H	Mandatory	Mandatory	YES
		Cold Rolled	C			
4	Coating Type	Zinc Coated (Z)	Z	Mandatory	Mandatory	YES
		Zinc / Iron Alloy Coating (ZF / F)	F			
5	Coating Mass	<= 100 g/m2	1	Mandatory	Mandatory	YES
		>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			
6	Steel Grade	G2 / SGCC / SGHC	A	Mandatory	Mandatory	YES
		G3 / SGCD	B			
		G250 / SGC 340 / SGHC 340 / SGC 340 / SGHC 340	C			
		G300 / G350 / SGC 400 / SGHC 400 / SGC 440 / SGCH 440 / SGC 490 / SGHC 490	D			
		G450 / G500	E			

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Item	Category	Sub-Category	Identifier	Sales Data	Cost Data	Key category
		G550 / SGC 570	F			
		Other	G			
7	Base Metal Thickness	< 0.40 mm	1	Mandatory	Mandatory	YES
		=> 0.40 mm to < 0.50 mm	2			
		=> 0.50 mm to < 0.75 mm	3			
		=> 0.75 mm to < 1.00 mm	4			
		=> 1.00 mm to < 1.50 mm	5			
		=> 1.50 mm to < 2.00 mm	6			
		=> 2.00 mm to <2.50 mm	7			
		=> 2.50 mm	8			
8	Width	< 600 mm	A	Mandatory	Optional	No
		=> 600 mm to <= 1220mm	B			
		> 1220mm	C			
9	Form	Coil	C	Mandatory	Optional	No
		Sheet	S			

In constructing a MCC, use a "-" between each category. For example: **A-P-C.....**

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 (Dongbu Steel):

Name	Mr Jin Seob Kim
Position in the Company	Senior Manager
Address	7F, Seoul Square 416, Hangang dae-ro, Jung-gu, Seoul Korea
Telephone	+82-10-3432-2622
Facsimile number	+82-2-3450-8387
Email address of contact person	kims@dongbu.com

Factory (Dangjin works):

Address	333 Godae-Ri Songak-myeon Dangin-gun Chungcheongnam-do Korea
Name	Mr Joo Hyun Cho
Telephone	+82-41-351-8662
Facsimile number	+82-41-351-8115
Email address of contact person	voomba@dongbu.com

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

Name	Alistair Bridges
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Organisation	Moulis Legal
Position in the company	Senior Associate
Address	Level 39 385 Bourke Street Melbourne Victoria 3000
Telephone	+61 3 8459 2276
Facsimile number	+61 2 6162 0606
E-mail address of contact person	alistair.bridges@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.

Dongbu maintains all relevant accounting records in its head office. All information presented in this EQ response is accessible from Dongbu's corporate headquarters in Seoul. At the same time, specific manufacturing-related records are maintained at the specific manufacturing facilities.

The address of the head office and the factories where the GUC is produced are provided in response to Question A-1.

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

See above.

A-2 Company information

1. What is the legal name of your business?

The company's legal name is Dongbu Steel Co., Ltd (hereinafter "Dongbu"). Dongbu is a listed company (joint-stock corporation) in the Republic of Korea. Dongbu does not use any other business names when it sells the goods under consideration ("GUC").

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

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Dongbu does not trade under a different name or brand.

[CONFIDENTIAL INFORMATION DELETED]

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

Noting the above, Dongbu does not currently have any other legal name or trading name.

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

Please refer to [CONFIDENTIAL] Attachment 1, which lists the board of directors of Dongbu and any changes 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

Dongbu is not a subsidiary of any other company. Please refer to [CONFIDENTIAL] Attachment 2, which sets out Dongbu's corporate structure.

6. Is your company or parent company publicly listed?

If yes, please provide:

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

If no, please provide:

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

Please refer to [CONFIDENTIAL] Attachment 3, which lists the major shareholders of Dongbu and their respective holdings. Dongbu is a listed company in Korean stock market.

7. 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.

Dongbu is an integrated steel manufacturer that produces a full range of steel

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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products which are sold in Korea and to various export markets, including Australia.

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.

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

9. Provide your company's internal organisation chart.

Please refer to [CONFIDENTIAL] Attachment 4 for an illustration of Dongbu's organisational structures.

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

The functions of each business unit are [CONFIDENTIAL INFORMATION DELETED – details of internal structure]

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

Please refer to:

- **Attachment 5, which is a brochure regarding Dongbu; and**
- **Attachment 6, which is brochure regarding the GUC manufactured by Dongbu.**

A-3 General accounting information

1. What is your financial accounting period?

Dongbu's fiscal year is the calendar year, 1 January to 31 December.

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

Dongbu was audited by Deloitte during the review period.

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3. What currency are your accounts kept in?

All amounts in Dongbu's accounting record are recorded in KRW. Dongbu's system also maintains a record of the amount in the original currency of any particular transaction.

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

Dongbu operates SAP as its enterprise resource planning ("ERP") system. This system fully integrates the operations of the company. Dongbu typically stores all sales and production/cost information in the ERP system.

5. What is the name of your sales system?

See Dongbu's response above.

6. What is the name of your production system?

See Dongbu's response above.

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.

See Dongbu's response above.

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

Dongbu's financial accounting practices are in accordance with the generally accepted accounting principles ("GAAP") of Korea 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.

Dongbu has not changed any of its accounting methods in the last two financial 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.

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Please refer to:

- **[CONFIDENTIAL] Attachment 7 – Dongbu Steel’s Unconsolidated Financial Report 2018-2017;**
- **[CONFIDENTIAL] Attachment 8 – Dongbu Steel’s Half Year Review for the year until 30 June 2019.**

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.

Dongbu is required to have its accounts 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.

Dongbu does not maintain different profit centres nor does it prepare separate internal P/L statements.

4. 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; or
- (b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

Dongbu provides its audit report for the half year to 30 June 2019 which covers the review period in [CONFIDENTIAL] Attachment 8.

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

Dongbu provides its trial balance covering the period and the most recent financial year in [CONFIDENTIAL] Attachment 9.

6. Please provide your company’s chart of accounts (in Excel).

Dongbu provides the chart of accounts in [CONFIDENTIAL] Attachment 10.

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

SECTION B

EXPORT SALES TO AUSTRALIA

NOTE

If your company exported low or no volumes of the goods to Australia during the review period, please contact the case manager as soon as possible. You may be required to complete this section (and G-5) as it relates to export sales to a country other than Australia. You may also be asked other supplementary questions. Extensions will not be granted as a result of delays in contacting the case manager in this regard.

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

Please refer to [CONFIDENTIAL] Attachment 11 - Export Sales Flow Chart, which is a diagram illustrating the sales process for export sales to Australia.

The sales channel is:

[CONFIDENTIAL INFORMATION DELETED – distribution channels]

The sales process begins with the [CONFIDENTIAL INFORMATION DELETED - customers] contacting Dongbu to negotiate the sales terms (i.e. price, quantity, specification, delivery terms and payment schedule). The factors that are considered by a sales person when negotiating price include thickness, width, grade and quality. Prices can vary depending on the exact combination of these factors. If the negotiations are successful, the parties will agree on the terms for export sales.

Once the negotiation is concluded, Dongbu generates an order sheet to initiate the production of the goods pursuant to the customer's requirements. Dongbu carries out the production of the goods, which are then shipped to the destination indicated by the customer [CONFIDENTIAL INFORMATION DELETED – customer details].

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During the period of investigation, all of Dongbu's exports to Australia were made via [CONFIDENTIAL INFORMATION DELETED – shipping terms].

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?

[CONFIDENTIAL INFORMATION DELETED – currency transactions]

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.

Not applicable. [CONFIDENTIAL INFORMATION DELETED – details of customers]

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

Not applicable. Selling prices are determined by individual negotiation on a transaction-by-transaction basis taking into account factors such as the market conditions, costs and profit considerations.

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.

Not applicable. Selling prices are not determined according to the distribution channel. Rather price is determined by individual negotiation on a transaction-by-transaction basis.

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.

Not applicable. Dongbu did not provide any discounts, rebates or other allowance to in relation to its Australian sales.

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

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yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

Not applicable. Dongbu did not issue any credit/debit notes in relation to the export sales to Australia.

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

Dongbu has reported the bill-of-loading date, being, the date on which the merchandise was loaded onto the vessel for shipment from Korea, 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*.
- 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.

Please refer to [CONFIDENTIAL] Attachment 12 – Australian sales.

2. Provide a table listing the source of the data for each column in the "B-2 Australian sales" listing.

Please refer to [CONFIDENTIAL] Attachment 13 – Field layout (Source) of Australian Sales.

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.

Two samples are selected by value and relevant documentations are provided, please refer to:

- **[CONFIDENTIAL] Attachment 14 – Australian Sales Documents #1; and**
- **[CONFIDENTIAL] Attachment 15 – Australian Sales Documents #2**

The sequence number for two samples are SN. 149 and SN. 86.

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.

The tables reconciling the documents and the details in [CONFIDENTIAL] Attachment 12 – Australian Sales are provided along with other export documentation in [CONFIDENTIAL] Attachment 14 and [CONFIDENTIAL] Attachment 15.

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.

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- If you have used formulas to complete this worksheet, these formulas must be retained.

Please refer to [CONFIDENTIAL] Attachment 16 – Upwards Sales.

2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.

Please refer to additional tables inserted in [CONFIDENTIAL] Attachment 16 – Upwards Sales and the further backup documentation provided at [CONFIDENTIAL] Attachment 17.

3. 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.

Please refer to [CONFIDENTIAL] Attachment 16 and [CONFIDENTIAL] Attachment 17.

B-5 Reconciliation of direct selling expenses to financial accounts

4. 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 [CONFIDENTIAL] Attachment 18 – Upwards Selling Expense.

5. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-5 Upwards selling expense” worksheet. If the documents include spreadsheets, all formulas used must be retained.

Please refer to additionally inserted expense allocation tables in [CONFIDENTIAL] Attachment 18 – Upwards Selling Expense.

6. For any amount in the “B-5 Upwards selling expense” 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 C of the worksheet; and

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- highlight or annotate the amount shown in the source document.

Please refer to [CONFIDENTIAL] Attachment 18 – Upwards Selling Expense.

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.

Dongbu Steel maintains material codes in its ERP system as developed by Dongbu Steel's engineers to identify the specifications and key physical characteristics of all products. All inventory data is kept according to these material codes. Please refer to [CONFIDENTIAL] Attachment 19 – product code structure and index.

Please note that there is no specific code for the kind of “market” to which the product is destined. Any of the products could be sold to any market, depending on customer preference.

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.

Dongbu provides the list of MCCs of the goods exported to Australia in [CONFIDENTIAL] Attachment 20.

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.

Please refer to Dongbu's responses to question C-1 above.

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.

Dongbu provides the list of MCCs of like goods sold on domestic market in

[CONFIDENTIAL] Attachment 21.

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.

Please refer to [CONFIDENTIAL] Attachment 19 – Product code structure and index.

- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.

Dongbu provides the mapping table for Dongbu’s product codes to MCC in [CONFIDENTIAL] Attachment 22.

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

Dongbu provides its product codes for each MCC in [CONFIDENTIAL] Attachment 23.

If no:

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

Not applicable. See Dongbu’s response above.

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

Dongbu sells the subject goods to [CONFIDENTIAL INFORMATION DELETED - customers] on the domestic market. A flow chart showing the physical movement of the goods from the manufacturing plant to the delivery of the goods to the customers is provided in [CONFIDENTIAL] Attachment 24.

Upon receiving a customer's purchase inquiry, Dongbu's domestic market sales personnel will negotiate sales terms, such as price and quantity, with the customer. This negotiation takes place by phone, fax, internet, or even in person.

[CONFIDENTIAL INFORMATION DELETED – details of inventory and terms of sale]

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.

[CONFIDENTIAL INFORMATION DELETED – customer details]

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

Dongbu does not keep a price list. Selling prices are determined by individual negotiation on a transaction-by-transaction basis. Important factors are the market conditions, costs and profit considerations. As well, the relationship with the customer and volumes of both individual orders and the total business with a customer will affect negotiation positions.

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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 stated above, domestic selling prices do not vary according to the distribution channel or customer category. Selling prices are determined by individual negotiation on a transaction-by-transaction basis.

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 INFORMATION DELETED – details of 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.

[CONFIDENTIAL INFORMATION DELETED – details of sales terms]

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

The date of shipment is the same as the date of invoice and is reported 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.

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2. Provide a table listing the source of the data for each column in the “D-2 domestic sales” listing.

Please refer to:

- [CONFIDENTIAL] Attachment 25 – Domestic sales for the GUC; and
- [CONFIDENTIAL] Attachment 26 – Field layout with source of Domestic Sales.

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.

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.

Please refer to:

- [CONFIDENTIAL] Attachment 27 – Domestic sales example 1; and
- [CONFIDENTIAL] Attachment 28 – Domestic sales example 2.

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 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.

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2. Please provide all documents, 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.
3. 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.

Please refer to B-4 above.

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

[CONFIDENTIAL INFORMATION DELETED – details of sales terms]

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:
 - (d) 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
 - (e) 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?

[CONFIDENTIAL INFORMATION DELETED – details of sales terms]

E-2 Packaging

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

[CONFIDENTIAL INFORMATION DELETED – details of packing]

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

[CONFIDENTIAL INFORMATION DELETED – details of packing]

3. If there are distinct differences in packaging between your domestic and export sales:

- (a) Provide details of the differences

[CONFIDENTIAL INFORMATION DELETED – details of packing]

- (b) Calculate the weighted average packaging cost for each model sold on the domestic market

Not applicable. Dongbu has reported actual packing costs associated with both domestic sales and export sales.

- (c) Calculate the weighted average packaging cost for each model exported to Australia

[CONFIDENTIAL INFORMATION DELETED – details of packing costs]

For sample packing expense for export sales, please refer to [CONFIDENTIAL] Attachment 14 and [CONFIDENTIAL] Attachment 15. For sample packing expense for domestic sales, please refer to [CONFIDENTIAL] Attachment 27 and [CONFIDENTIAL] Attachment 28.

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?

Dongbu has reported transaction-specific freight expense incurred when transporting the goods from the factory to the customer. Sample calculation worksheets are provided in [CONFIDENTIAL] Attachment 27 and [CONFIDENTIAL] Attachment 28.

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

The delivery terms of the export sales of the goods to Australia during the review period were [CONFIDENTIAL INFORMATION DELETED – delivery terms], as listed in [CONFIDENTIAL] Attachment 12 – Australian Sales.

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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 INFORMATION DELETED – details of inland transport costs] Dongbu has reported the transaction-specific freight expense incurred when transporting the goods from the factory to the port. Sample calculation worksheets are provided in [CONFIDENTIAL] Attachment 14 and [CONFIDENTIAL] Attachment 15.

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 INFORMATION DELETED – details of delivery terms]

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 INFORMATION DELETED – details of delivery terms]

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 INFORMATION DELETED – details of delivery terms]

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.

Dongbu did not pay any commissions in relation to its domestic sales or export sales of the GUC to Australia.

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?

[CONFIDENTIAL INFORMATION DELETED – details of taxation practices]

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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

[CONFIDENTIAL INFORMATION DELETED – selling expenses]

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

Dongbu has reported the following additional direct selling expenses regarding sales to Australia. Sample calculation worksheets for each expense have been provided in [CONFIDENTIAL] Attachment 14 and [CONFIDENTIAL] Attachment 15.

[CONFIDENTIAL INFORMATION DELETED – selling expenses]

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 15 of the Dumping and Subsidy Manual (November 2018) for more information.

[CONFIDENTIAL INFORMATION DELETED – selling expenses]

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.

Not applicable. There is no distinguishing difference in the sales process between sales to Australia and to third countries.

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 INFORMATION DELETED – customers]

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

Dongbu considers the date of shipment as the date of sales for all export sales.

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.

Please refer to [CONFIDENTIAL] Attachment 32 – Third country sales.

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

Please refer to [CONFIDENTIAL] Attachment 33 –Field layout (source) of third country sales.

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 sales terms for third country exports vary between transactions. There are a range of differences that would affect any comparison, including product type and mix and the situation in the third country markets.

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.

During the review period, the GUC was produced at Dangjin works. Please refer to [CONFIDENTIAL] Attachment 33 which outlines the production process.

The following is a brief description of each of the production lines through which the GUC pass from the hot-rolled coil stage, depending on the final product being produced:

1. Pickling and Oiling Line (“CPL”)

[CONFIDENTIAL INFORMATION DELETED – details of CPL]

2. Cold-Rolling Line (“CRL”); Pickle Line & Tandem CR Mill (“PL/TCM”)

[CONFIDENTIAL INFORMATION DELETED – details of PL/TCM]

3. Continuous Galvanizing Line (“CGL”)

[CONFIDENTIAL INFORMATION DELETED – details of CGL]

4. Shearing/Slitting

[CONFIDENTIAL INFORMATION DELETED – details of shearing/slitting]

5. Packing Line

Packing is described in the response to Section E.

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.

Dongbu did not purchase products or utilities from related suppliers.
[CONFIDENTIAL INFORMATION DELETED – details of raw materials].

G-2. Cost accounting practices

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

Dongbu’s cost accounting system is a standard cost based system, in that the SAP structure mandates that companies develop standard costs. Dongbu utilizes these standard costs for budget and planning purposes and to evaluate

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results during the month. However, Dongbu calculates actual costs at month's end and adjusts the standard cost for the difference between the standard and actual costs. Dongbu has used the actual costs recorded in its normal cost accounting system as the basis for the reported product costs.

[CONFIDENTIAL INFORMATION DELETED – details of cost accounting practices]

Please refer to:

- [CONFIDENTIAL] Attachment 34, which summarise the different costs centres in respect of Dongbu; and
- [CONFIDENTIAL] Attachment 35, which summarise the methodologies used to allocate the costs incurred in these centres to the direct cost centres.

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.

Please see the above.

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.

A list of direct, indirect and common cost centres has been provided as [CONFIDENTIAL] Attachment 34.

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

[CONFIDENTIAL INFORMATION DELETED – cost accounting practices]

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

No production cost is valued differently for cost accounting purposes than for financial accounting purposes.

6. Has your company engaged in any start-up operations in relation to the goods? If yes:

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- (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.

Dongbu did not engage in any start-up operations in relation to the GUC in the 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)?

Inventory is recorded using the monthly average inventory method and is settled by periodic inventory inspection. Valuation of the inventory is made at the inventories' acquisition cost. Raw materials are valued using the moving average method. Goods in transit are valued using the identified cost method.

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

Inventories (finished goods and raw materials) are written down by the net realizable value method and the lower cost method. Dongbu recognises losses, whenever the inventories are physically deteriorated or decreased, by market value. This methodology is in accordance with Korean GAAP.

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

There are two categories of scrap generated through the production process. They are steel scrap and zinc scrap. The value of scrap is estimated subsequently by the monthly sales amount and is then deducted from the cost of goods manufactured of each product groups.

No by-products or joint products result from the production of the GUC.

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

No management or corporate allocations are charged to Dongbu Steel by its related companies.

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.

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- 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.

Please refer to [CONFIDENTIAL] Attachment 36 – Domestic CTMS.

2. Provide a table listing the source of the data for each column of the "G-3 Domestic CTM" listing.

Please refer to [CONFIDENTIAL] Attachment 37 – Field layout with source of Domestic CTMS.

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.

Please refer to [CONFIDENTIAL] Attachment 38 – G-4.1 SG&A Listing.

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.

Please refer to [CONFIDENTIAL] Attachment 39 – G-4.2 Domestic SG&A Calculation.

[CONFIDENTIAL INFORMATION DELETED – note on relationship between CTM,

SG&A and MCCs].

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.

Please refer to [CONFIDENTIAL] Attachment 40 – G-5 Australian CTM.

2. Provide a table listing the source of the data for each column of the "G-5 Australian CTM" listing.

Please refer to [CONFIDENTIAL] Attachment 41 – Field layout with source of Australian CTM.

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 INFORMATION DELETED – cost recording method]

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

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

Sample cost trace is provided in [CONFIDENTIAL] Attachment 43.

G-7 Major raw material costs

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

Purchased hot-rolled coil and zinc are the major input raw materials used in the manufacture of the goods.

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.

Dongbu used purchased raw materials so these questions are not applicable.

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

As explained in G-6.1 above, Dongbu reported manufacturing cost based on [CONFIDENTIAL INFORMATION DELETED – cost reporting method].

4. For each raw material identified in G-7.3 which individually account 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.

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Please refer to [CONFIDENTIAL] Attachment 44 – G-7.4 Raw Material Purchases.

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

Please refer to [CONFIDENTIAL] Attachment 45 – Field layout with source of Raw material purchases.

6. For each raw material:

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

Sample raw material purchase invoices and proof of payment are provided in [CONFIDENTIAL] Attachment 46.

- (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.

Raw material purchase reconciliation is provided in [CONFIDENTIAL] Attachment 47.

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.

[CONFIDENTIAL INFORMATION DELETED – raw material sources]

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.

Please refer to [CONFIDENTIAL] Attachment 48 – G-8 Upwards Costs.

2. Please provide any documents, other than those in A-4, G-3 and G-5, required to complete the “G-8 Upwards costs” worksheet.

Please refer to [CONFIDENTIAL] Attachment 49 – Back up documents for Upwards Costs.

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

Please refer to [CONFIDENTIAL] Attachment 49 – Back up documents for Upwards Costs.

G-9 Capacity Utilisation

1. Please complete the worksheet named “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.

Please refer to [CONFIDENTIAL] Attachment 50 – G-9 Capacity Utilisation.

EXPORTER'S DECLARATION

I hereby declare that Dongbu Steel Co., Ltd. (Dongbu) 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 : Jin Seob Kim

Signature :



Position in

Company : Senior Manager / Marketing Support Team

Date : 10th. Oct. 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.

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.

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

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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.

PUBLIC RECORD

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.