



Australian Government
Department of Industry, Science,
Energy and Resources

Anti-Dumping Commission

Exporter Questionnaire

Daejin Copper Pipe & Tube Manufacturing Co., Ltd.

Case number: 557

Product: Certain Copper Tube

From: People's Republic of China and Republic of Korea

Investigation period: 1 July 2019 to 30 June 2020 (the period)

Response due by: 12 October 2020

Email enquiries to: investigations2@adcommission.gov.au

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

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

TABLE OF CONTENTS

TABLE OF CONTENTS	2
INSTRUCTIONS	4
CHECKLIST	8
GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES	9
SECTION A COMPANY INFORMATION	11
A-1 COMPANY REPRESENTATIVE AND LOCATION	11
A-2 COMPANY INFORMATION	12
A-3 GENERAL ACCOUNTING INFORMATION	14
A-4 FINANCIAL DOCUMENTS.....	16
SECTION B EXPORT SALES TO AUSTRALIA	18
B-1 AUSTRALIAN EXPORT SALES PROCESS.....	18
B-2 AUSTRALIAN SALES LISTING.....	21
B-3 SAMPLE EXPORT DOCUMENTS	22
B-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS	23
B-5 RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS.....	23
SECTION C EXPORTED GOODS & LIKE GOODS	25
C-1 MODELS EXPORTED TO AUSTRALIA	25
C-2 MODELS SOLD IN THE DOMESTIC MARKET.....	25
C-3 CONSIDERATION OF ADDITIONAL MCC SUBCATEGORIES.....	27
C-4 INTERNAL PRODUCT CODES	28
SECTION D DOMESTIC SALES	29
D-1 DOMESTIC SALES PROCESS.....	29
D-2 DOMESTIC SALES LISTING	31
D-3 SAMPLE DOMESTIC SALES DOCUMENTS	32
D-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS	32
SECTION E DUE ALLOWANCE	34
E-1 CREDIT EXPENSE	34
E-2 PACKAGING	35
E-3 DELIVERY.....	36
E-4 OTHER DIRECT SELLING EXPENSES	37
E-5 OTHER ADJUSTMENT CLAIMS	38
SECTION F THIRD COUNTRY SALES	40
F-1 THIRD COUNTRY SALES PROCESS	40
F-2 THIRD COUNTRY SALES LISTING	41
F-3 DIFFERENCES IN SALES TO THIRD COUNTRIES	42
SECTION G COST TO MAKE AND SELL	43
G-1. PRODUCTION PROCESS	43
G-2. COST ACCOUNTING PRACTICES.....	43
G-3 COST TO MAKE ON DOMESTIC MARKET	46
G-4 SELLING, GENERAL & ADMINISTRATION EXPENSES	46
G-5 COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA.....	47
G-6 COST ALLOCATION METHODOLOGY.....	47

PUBLIC RECORD

G-7 MAJOR RAW MATERIAL COSTS 49
G-8 RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS 51
G-9 CAPACITY UTILISATION 52
EXPORTER'S DECLARATION 53
APPENDIX GLOSSARY OF TERMS 54

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting an investigation into certain copper tube (the goods) exported to Australia from the People's Republic of China (China) and the Republic of Korea (Korea).

The Commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether certain copper tube is 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 Commission of the contact details for these manufacturers **immediately**.

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

What happens if you do not respond to this questionnaire?

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

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

Extension requests

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

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

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

- information provided by other interested parties.

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

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

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

Submitting a response to the exporter questionnaire

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

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

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

Confidential and non-confidential responses

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

All information provided to the Commission in confidence will be treated accordingly. The public record version of your questionnaire will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

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

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

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

If such an explanation is not provided, the Commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be deemed to have significantly impeded the case and be deemed an uncooperative exporter.

Verification of the information that you supply

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

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

The verification may include Commission staff visiting your company to conduct an onsite verification¹. Any onsite verification 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, please contact the Commission as soon as possible for a potential verification date to be scheduled.

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

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

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

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

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

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

Important instructions for preparing your response

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.
- 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.

¹ The Commission has temporarily suspended onsite verification due to the COVID-19 pandemic (refer to Anti-Dumping Notice No. 2020/29). However, your response to the exporter questionnaire may still be subject to onsite verification should the suspension of onsite verifications be lifted.

PUBLIC RECORD

- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-4.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the Commission's verification of your data.
- If you cannot present electronic data in the requested format contact the case officer as soon as possible.
- Where possible, electronic data should be shared with the Commission via SIGBOX, a secure online document repository. Please contact the Commission to request access to SIGBOX if required.

CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A Company information	<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 checked="" 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 and in receipt of countervailable subsidies, are:

Round seamless copper tube complying with Australian Standard AS 1432, Australian and New Zealand Standard AS/NZ 1571, or Australian Standard AS 1572 with an outside nominal diameter between 9.52 mm and 53.98 mm, and a nominal wall thickness between 0.71 mm and 1.83 mm, including coated tube.

Goods specifically excluded from the goods description are:

- *thermally insulated copper tube, such as Pair Coil;*
- *Annealed coils;*
- *Layer Wound Packs/Level Wound Coils; and*
- *Copper alloy tube.*

Additional information: Tariff Classification

The goods may be classified in Schedule 3 to the Customs Tariff Act 1995 as follows:

- 7411.10.00 (statistical code 11)

This tariff classification and statistical code may include goods that are both subject and not subject to this investigation. The listing of this tariff classification and statistical code is for convenience or reference only and do not form part of the goods described above.

Model Control Code

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

Item	Category	Sub category	Identifier	Sales Data	Cost data
1	Standard	Copper tubes used for plumbing, gas fitting, drainage and/or medical gas applications (e.g. copper tube manufactured to AS1432)	P	Mandatory	Mandatory
		Copper tubes used for refrigeration and air conditioning applications (e.g. copper tube manufactured to AS/NZ1571)	R		

PUBLIC RECORD

		Copper tubes used for engineering purposes (e.g. copper tube manufactured to AS1572)	E		
2	Temper	'Hard' <i>Hardness (HV/5): 100 minimum</i>	H	Mandatory	Mandatory
		'Bendable' or 'Half Hard' <i>Hardness (HV/5): ~71-99</i>	B		
		'Soft' or 'annealed' <i>Hardness (HV/5): 70 maximum</i>	S		
3	Lagging	Lagged	L	Mandatory	Mandatory
		Unlagged	U		
4	Capping	Capped	C	Mandatory	Mandatory
		Uncapped	U		
5	Form	Straight	S	Mandatory	Mandatory
		Coiled	C		
6	Finned or internally grooved	Finned	F	Mandatory	Mandatory
		Internally grooved	G		
		Plain (not finned or grooved)	P		

In constructing a MCC, use a "-" between each category. For example: 'P-H-L-C-S-P'

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.

At this stage, the Commission has not included categories relating to outside diameter, wall thickness or length. At the time of issuing this questionnaire the Commission has not determined appropriate subcategories for these characteristics. However, this questionnaire requires exporters to provide information on these characteristics in relation to both domestic and export sales. The Commission invites submissions from interested parties on the appropriate subcategories, if any, that should apply to outside diameter, wall thickness or length of the goods in relation to determining the MCC structure. These submissions will be considered in determining a MCC structure that may include these characteristics.

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:

Name:	Mr Seung Ryung Han
Position in the company:	General Manager
Telephone:	+82-31-491-7591~4
E-mail address:	hsr@daejinpipe.co.kr

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

Name:	Daniel Moulis
Address:	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport ACT Australia 2609
Telephone:	+61 2 6163 1000
E-mail address:	daniel.moulis@moulislegal.com

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

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

The company's financial records are held at: 192, Haean-Ro, Danwon-Gu, Ansan-Si, Kyunggi-Do, Korea

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

The company's production records are held at the same location as its financial records, noted above.
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A-2 Company information

1. What is the legal name of your business?

The legal name of the company is Daejin Copper Pipe & Tube Manufacturing Co., Ltd. ("Daejin").

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

No.

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

No.

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

There has been no change in the board of directors for the last two years. Please see Exhibit A-2.4. [CONFIDENTIAL ATTACHMENT]

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

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

No, Daejin is not part of a group.

6. Is your company or parent company publicly listed?

If yes, please provide:

- (c) The stock exchange where it is listed; and
- (d) Any principle shareholders²

If no, please provide:

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

No, Daejin is not a publicly listed company.

² 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.

PUBLIC RECORD

The list of principal shareholders and the associated shareholding percentages are provided below.

Period	Owner and/or principal shareholder	Ownership (%)
FY2019	[shareholder/s]	[percentage/s]
	Total	100.00

There has been no change to these shareholdings during the investigation period.

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.

Daejin's main business is the manufacture and sale of copper tube products to domestic customers or to trading companies for export sales, including to Australia.

Daejin also carries out a tolling business, i.e., processing operations using raw materials owned and supplied by customers. Please note, the goods under consideration as are reported in this EQ response are not produced under any tolling arrangement.

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;

Daejin produces the goods under consideration.

- (b) sell in the domestic market;

Daejin sells the copper tube product in the domestic market.

- (c) export to Australia; and

Daejin sells to [CONFIDENTIAL TEXT DELETED – details about Daejin's Australia export arrangements].

- (d) export to countries other than Australia.

PUBLIC RECORD

Depending on the market, Daejin will either export direct or sell to a trading company for third country sales. This is explained at Section F.

9. Provide your company's internal organisation chart.

Please see Exhibit A-2.9. [CONFIDENTIAL ATTACHMENT]

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

Daejin [CONFIDENTIAL TEXT DELETED – explanation about Daejin's factory production processes for the goods under consideration and goods not subject to the investigation]

The divisions in Daejin have the following functions:

- Production Division - manages the entire production processes of copper pipe products (i.e. casting, extrusion, drawing, etc.), and performs tasks such as on-site staff management, monitoring, packaging and production reports.**
- Business Administration Division - performs accounting, finance and other management, and quality control.**
- Sales and Purchase Division - manages sales and customer management, also carries out tasks related to the purchase of raw materials.**

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

Please see Exhibit A-2.11. [CONFIDENTIAL ATTACHMENT]

A-3 General accounting information

1. What is your financial accounting period?

Daejin's financial accounting period ends at 31 December on an annual basis.

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

Daejin's financial accounts and statements are audited by the independent accounting corporation "Nexia Samduk".

3. What currency are your accounts kept in?

Daejin's financial accounts are in Korean Won (KRW).

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

PUBLIC RECORD

Daejin uses the [CONFIDENTIAL TEXT DELETED – software detail] financial accounting system, which provides ERP system services.

For efficient management of the company’s operation, [CONFIDENTIAL TEXT DELETED – explanation about Daejin’s accounting system practices]

[CONFIDENTIAL TEXT DELETED – mechanics of how the accounting system process is conducted]

[CONFIDENTIAL TEXT DELETED – explanation about further Daejin accounting activities]

5. What is the name of your sales system?

Daejin uses the [CONFIDENTIAL TEXT DELETED – software detail] ERP system for its sales.

6. What is the name of your production system?

[CONFIDENTIAL TEXT DELETED – explanation about Daejin’s production system practices]

[CONFIDENTIAL TEXT DELETED – mechanics of how the production system process is conducted]

Please see Exhibit A-3.6 for document list. [CONFIDENTIAL ATTACHMENT]

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.

Daejin’s financial accounting and sales system are linked by the [CONFIDENTIAL TEXT DELETED – software detail] ERP system.

When Daejin receives a sales order from a customer the order is keyed into ERP system, and based on the data in ERP system, [CONFIDENTIAL TEXT DELETED – mechanics of production process arrangement]. Once the product is shipped out, the shipment is recorded in the ERP system, connecting the data between the sales system and financial accounting system.

Daejin provides a diagram of the interaction at Exhibit A-3.7. [CONFIDENTIAL ATTACHMENT]

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

Daejin’s accounting practices follow Korean Generally Accepted Accounting Principles (“K-GAAPs”).

PUBLIC RECORD

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

As of January 1, 2019, there were some amendments on certain accounts in K-GAAPs, none of which had a significant influence on Daejin's 2019 financial statements.

Amendments were made in the following chapters of K-GAAPs:

- **Chapter 4 "Consolidated Financial Statements" and Chapter 8 "Equity Method" (Revised) of Korean Generally Accepted Accounting Principles**
- **Chapter 13 "Salary of Employees" (Revised) of Korean Generally Accepted Accounting Principles**
- **Chapter 22 "Corporate Tax Accounting" (Revised) of Korean Generally Accepted Accounting Principles**
- **Chapter 31 "Special Cases on the Accounting of Small and Medium Enterprises" (Revised) of Korean Generally Accepted Accounting Principles**

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.

Please see Daejin's Audit Reports and the English translation at Exhibits A-4.1.1, A-4.1.2, A-4.1.3 and A-4.1.4. [CONFIDENTIAL ATTACHMENTS]

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.

Daejin has provided its audited reports at A-4.1. [CONFIDENTIAL ATTACHMENT]

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.

[CONFIDENTIAL TEXT DELETED – Daejin profit centre details]

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

PUBLIC RECORD

- (c) Income statements directly from your accounting information system covering the most recent financial period and the period; or
- (d) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

Please see Exhibit A-4.4.1 for Daejin's FY 2019 income statement, directly from its accounting system. [CONFIDENTIAL ATTACHMENT]

Daejin's accounting system does not generate quarterly income statements. Accordingly, Daejin has provided internal income statements on a monthly basis for the FY 2019 and 1st half of 2020 at Exhibit A-4.4.2. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit A-4.5. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit 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 exported products are sold by Daejin [CONFIDENTIAL TEXT DELETED – sales relationship detail]. Daejin sells the goods under consideration to [CONFIDENTIAL TEXT DELETED – export arrangement detail].

[CONFIDENTIAL DIAGRAM – export process]

[CONFIDENTIAL TEXT DELETED – explanation about export arrangements and Daejin’s responsibilities]

With respect to the sales process:

(a) Marketing and advertising activities:

Daejin is not involved in any direct marketing and advertising activities to Australian customers.

(b) Price determination and/or negotiation process:

Daejin negotiates the unit price with [CONFIDENTIAL TEXT DELETED – customer/s], based on the [CONFIDENTIAL TEXT DELETED – explanation of Daejin’s pricing mechanism for the goods], as per normal business practice in the copper tube manufacturing industry.

At the time product the product is shipped, the [CONFIDENTIAL TEXT DELETED – Daejin sales price detail]. If a price adjustment is required, both Daejin and [CONFIDENTIAL TEXT DELETED – customer/s] have the right to request for re-negotiation.

[CONFIDENTIAL TEXT DELETED – customer/s] [CONFIDENTIAL TEXT DELETED –customer order process detail]. [CONFIDENTIAL TEXT DELETED – Daejin sales practice explanation]. For the Commission’s understanding, the nominal quantity in kilograms is calculated as follows:

Nominal Quantity =

[CONFIDENTIAL TEXT DELETED – formula]

In accordance with its sales contract with [CONFIDENTIAL TEXT DELETED – customer/s], Daejin prepares [CONFIDENTIAL TEXT DELETED – information about Daejin’s contractual sales practice]

[CONFIDENTIAL TEXT DELETED – explanation and confirmation of pricing information provided] In its Australian sales listing, Daejin has provided an additional column for “accounting quantity”, as well as completed the requested nominal and actual quantity information. This is further explained in Section B.

Finally, as noted, Daejin [CONFIDENTIAL TEXT DELETED – export arrangement practice].

(c) Order placement process:

As noted above, all export orders are [CONFIDENTIAL TEXT DELETED – Daejin export arrangement]. Daejin is [CONFIDENTIAL TEXT DELETED – Daejin’s customer understanding].

[CONFIDENTIAL TEXT DELETED – customer/s] submits a purchase order [CONFIDENTIAL TEXT DELETED – pricing mechanism details], calculated at the time when the order is made and a certain level of additional cost.

(d) Order fulfilment process and lead-time:

Daejin starts manufacturing the products for export sales once it receives purchase order from [CONFIDENTIAL TEXT DELETED – customer/s]. The lead-time is normally [CONFIDENTIAL TEXT DELETED – days lead time].

(e) Delivery terms and process:

The delivery term for all export sales to Australia is [CONFIDENTIAL TEXT DELETED – delivery term]. When products are ready to be shipped out, Daejin calls unaffiliated trucking company to ship out the products from its factory to the port. Once the products arrive at the port, an unaffiliated company provides the container loading.

Daejin is responsible for [CONFIDENTIAL TEXT DELETED – delivery term information].

(f) Invoicing process:

On the date the products are shipped out from the factory, Daejin issues a tax invoice in both KRW and USD to [CONFIDENTIAL TEXT DELETED – customer/s]. When the container is loaded at the port, Daejin issues offer sheet to [CONFIDENTIAL TEXT DELETED – customer/s] containing the information of products shipped in USD. [CONFIDENTIAL TEXT DELETED –

PUBLIC RECORD

customer/s] responds with an Approval of Purchase. The final USD price is as shown on the tax invoice.

(g) Payment terms and process:

The general payment term for all sales to [CONFIDENTIAL TEXT DELETED – customer/s] destined for the Australian market is [CONFIDENTIAL TEXT DELETED – payment terms], and payment is made [CONFIDENTIAL TEXT DELETED – days] after the sale is made. [CONFIDENTIAL TEXT DELETED – customer/s] makes the payment in USD for all Australian export sales.

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;

Daejin issues tax invoices to [CONFIDENTIAL TEXT DELETED – customer/s] in [CONFIDENTIAL TEXT DELETED – payment currency detail]. [CONFIDENTIAL TEXT DELETED – customer/s] makes payment in USD. Once payment is made, [CONFIDENTIAL TEXT DELETED – Daejin treatment of payment currency]

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

No, Daejin does not use forward contract to lock in the foreign exchange rate for Australian export sales.

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

Daejin issues the tax invoice to [CONFIDENTIAL TEXT DELETED – customer/s] with [CONFIDENTIAL TEXT DELETED – detail on tax invoice]. As sales are made in USD, exchange to KRW amount is required for sales recognition. The exchange rate referred to is the average KRW/USD rate from Seoul Money Brokerage Services (SMBS) on the day when the container is loaded.

In accordance with the contract with [CONFIDENTIAL TEXT DELETED – customer/s], the exchange rate applied is the [CONFIDENTIAL TEXT DELETED – contract exchange rate detail], with the sales amount recognized in Daejin's accounting system also using this exchange rate.

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.

There are no related customers in Australia.

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

PUBLIC RECORD

PUBLIC RECORD

Daejin does not have price lists.

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. Daejin has only one distribution channel for export sales to Australia.

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.

Daejin does not provide on-invoice discounts and/or off-invoice rebates to [CONFIDENTIAL TEXT DELETED – customer/s].

As noted above, based on the contract with [CONFIDENTIAL TEXT DELETED – customer/s] [CONFIDENTIAL TEXT DELETED – explanation of contract requirements].

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

Not applicable.

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?

Daejin has reported the date the tax invoice is issued as the date of sale.

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

The tax invoice date is the date when all terms of sales are fixed and finalized. It is also the date as when the sale is recognized in Daejin’s accounting system.

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.

PUBLIC RECORD

- 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 see Appendix B-2 Australian sales, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit B-2.2. [CONFIDENTIAL ATTACHMENT]

For this response, in the “Exchange Rate” Column Daejin has reported the daily arbitrated exchange rates listed on Bank of Korea website. Please see Exhibit B-2.2.2. [CONFIDENTIAL ATTACHMENT]

B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment 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.

Please see Exhibit B-3.1.1 and Exhibit B-3.1.2 for sample export sales to Australia. [CONFIDENTIAL ATTACHMENT]

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.

Please see Exhibit B-3.1.1 and Exhibit B-3.1.2. [CONFIDENTIAL ATTACHMENT]

B-4 Reconciliation of sales to financial accounts

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

Please see Appendix B-4 Upwards sales, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

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 see Exhibit B-4. [CONFIDENTIAL ATTACHMENT]

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 see Exhibit B-4. [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 see Appendix B-5 Upwards selling expense, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

PUBLIC RECORD

2. 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 see Exhibit B-5.1 and B-5.2. [CONFIDENTIAL ATTACHMENTS]

3. 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
 - highlight or annotate the amount shown in the source document.

Please see Exhibit B-5.1 and B-5.2. [CONFIDENTIAL ATTACHMENT]

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.

The goods exported to Australia during the investigation period were round seamless copper tubes for air conditioning and refrigeration, produced based on AS/NZ1571. This product is normally used for refrigerant pipe and pipe for heat exchanger.

Daejin's company brochure with product information is submitted at Exhibit A-2.11. [CONFIDENTIAL ATTACHMENT]

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.

Please see Exhibit C-1.1. [CONFIDENTIAL ATTACHMENT]

The MCCs exported to Australia are:

- R-B-U-C-S-P-01-01-01
- R-H-U-C-S-P-01-01-01
- R-H-U-C-S-P-02-01-01
- R-S-U-C-S-P-01-01-01
- R-S-U-C-S-P-02-01-01

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.

For the domestic market Daejin produces copper tube based on Korean Standard KS D 5301. Unlike Australian standards, which are individually specified based on the purpose of the copper pipe usage, KS D 5301 certifies copper pipe product for plumbing, gas fitting and drainage applications (i.e. specified in AS1432) and

PUBLIC RECORD

copper pipe product for air conditioning/refrigeration (i.e. specified in AS/NZ1571) all together in one standard.

Daejin produces like goods for plumbing and for air conditioning/refrigeration, but does not produce copper pipe product for engineering purposes (i.e. specified in AS1572).

In certain cases, a product may satisfy the criteria for both plumbing and for air conditioning/refrigeration under KS D 5301, in which case the customer can use the product for either purpose. In KS D 5301, copper pipe product for plumbing is specified based on the specific measurement of the outer diameter and thickness, with hard temper. Copper pipe product for air conditioning/refrigeration is specified based on the range of outer diameter and thickness, regardless of temper. Please see Exhibit C-2.1.2 for your reference. [CONFIDENTIAL ATTACHMENT]

For the purpose of this response and reporting the MCC “Standard” Category, Daejin has reported “P” for products that specifically meet the criteria for products for plumbing in KS D 5301 (limited to temper “H”) (as noted above have a specified outer diameter and thickness), and “R” for products that do not meet the specific criteria for products for plumbing but are in the range of specification for products for air conditioning/refrigeration.

Domestically, Daejin also sells a coil-shaped product that meets the provided specifications for the goods under consideration (known as “Bunch Coil”). As these products are purchased by customers for further processing, they are not certified to meet a specific standard when sold. Customers purchase Bunch Coil to further process copper pipe products for air conditioning/refrigeration. Accordingly, Daejin has reported it under that MCC subcategory (subcategory “R”).

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.

Please see Exhibit C-2.1. [CONFIDENTIAL ATTACHMENT] The MCCs sold in Korea are:

- **P-H-U-U-S-P-01-01-01**
- **P-H-U-U-S-P-02-01-01**
- **R-H-U-C-S-P-01-01-01**
- **R-H-U-C-S-P-02-01-01**
- **R-H-U-U-C-P-01-01-01**
- **R-S-U-C-S-F-01-01-01**
- **R-S-U-C-S-P-01-01-01**
- **R-S-U-C-S-P-02-01-01**

Daejin advises that goods under consideration with “half hardness” (being Temper category “B”) were not sold in the domestic market, but were exported to Australia under MCC “R-B-U-C-S-P-01-01-01”.

Daejin has considered the Commission’s policy on the use of surrogates within the MCC structure and believes the most appropriate surrogate, should it be considered necessary, is “R-S-U-C-S-P-01-01-01”. The reason for this is that “half hardness” (Temper B) products are [CONFIDENTIAL TEXT DELETED – production process detail]. This is the same production process that is applied to [CONFIDENTIAL TEXT DELETED – specified product/s]. In contrast, [CONFIDENTIAL TEXT DELETED – specified product/s] are not through this production process.

As explained at C-3 below, Daejin considers the production process used is the biggest cost factor for the final product. Accordingly, if a surrogate is necessary, it is most appropriate to use a product that has the same production process within the Temper category.

C-3 Consideration of additional MCC subcategories

At this stage, the Commission has not included MCC categories relating to outside diameter, wall thickness or length in this questionnaire. At the time of issuing this questionnaire the Commission has not determined appropriate subcategories for these characteristics. However, this questionnaire requires exporters to provide information on these characteristics in relation to both domestic and export sales. The Commission invites submissions from interested parties on the appropriate subcategories, if any, that should apply to outside diameter, wall thickness or length of the goods in relation to determining the MCC structure.

1. Provide a list of the relevant subcategories that your company considers that should apply to:
 - Outside diameter;
 - Wall thickness;
 - Length

Daejin appreciates the Commission’s invitation for submissions on the MCC sub-categories for outer diameter, wall thickness and length.

It is Daejin’s view that the most important distinguishing cost/price factor for copper pipe products is the production process taken. Considering the length and thickness sub-categories, for Daejin there is no difference in terms of production process or the unit price, regardless of the actual product measurements. Accordingly, Daejin does not consider further MCC sub-division is necessary – it has listed all products as sub-category “1” for wall thickness and length.

For outer diameter, the description of the goods under consideration provides the range of 9.52 mm to 58.28 mm. Within that range Daejin considers there is a major difference in the production process at the 30 mm threshold. Daejin normally produces products with an outer diameter over 30 mm through a pipe drawing process and the products with outer diameter less than 30 mm through tube drawing process. This distinction has a direct impact on the price of the product.

It should be noted that pipe drawing (in Korean *Jae-kwan*) and tube drawing (in Korean, *Sae-kwan*) are two distinct and separate drawing processes, and should not be considered interchangeably.

Please see Exhibit G-6.2 for further product drawing information. [CONFIDENTIAL ATTACHMENT]

Accordingly, Daejin submits and has reported “outer diameter” as an additional MCC category, with the sub-category split by this 30mm point as follows:

- Equal or more than 9.52 up to 30.00mm
- More than 30.00mm to 53.98mm

Please see Exhibit C-3. [CONFIDENTIAL ATTACHMENT]

C-4 Internal product codes

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

If yes:

- 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.
- Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- Provide a table of showing the product or SKU codes for each MCC.

If no:

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

Daejin does not use standard product codes, as the products are usually produced based on the order specification provided.

Instead, Daejin manages detailed specification in its Sales Reports and Production Reports. This specification is manually used to identify the MCC in the sales and cost spreadsheets.

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

Daejin sells direct to its end user and distributor customers.

For domestic sales, Daejin has only one channel of distribution. In other words, Daejin sells products to unrelated customers who are either end-user or distributor. There is no difference in sales process based on category of customers.

- (a) Marketing and advertising activities:

Daejin performs marketing and advertising activities by visiting customers, making phone calls and through the use of performance reports and brochures.

- (b) Price determination and/or negotiation process:

Daejin negotiates with each customer individually to determine the price, with the price based on [CONFIDENTIAL TEXT DELETED – sales pricing mechanism]

- (c) Order placement process:

Daejin typically receives orders by phone call or e-mail.

- (d) Order fulfilment process and lead time:

The order fulfilment process and lead time differs by customer type:

- **For distributor customers, typically Daejin takes [CONFIDENTIAL TEXT DELETED – number of days] for order fulfilment by [CONFIDENTIAL TEXT DELETED – order processing detail].**

PUBLIC RECORD

- For end-user customers Daejin takes [CONFIDENTIAL TEXT DELETED – period] because Daejin uses a [CONFIDENTIAL TEXT DELETED – order processing detail].

(e) Delivery terms and process:

Daejin’s normal delivery term is [CONFIDENTIAL TEXT DELETED – delivery term], but depending on the situation the delivery term may be [CONFIDENTIAL TEXT DELETED – delivery term].

(f) Invoicing process:

Daejin issues the tax invoice on the date of shipment from the factory.

(g) Payment terms and process:

For some customers Daejin makes continuous sales over a year. For these, normally Daejin’s payment term is [CONFIDENTIAL TEXT DELETED – number of days] by adding up the transactions on [CONFIDENTIAL TEXT DELETED – payment process detail]. For customers with infrequent transactions or a shorter-term relationship with Daejin, Daejin will [CONFIDENTIAL TEXT DELETED – payment term detail].

Daejin’s account is managed as [CONFIDENTIAL TEXT DELETED – detail about payment process].

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.

No. Daejin does not have related domestic customers.

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

Daejin does not use price lists. The selling price is determined for each order and no price list is used.

Typically [CONFIDENTIAL TEXT DELETED – explanation about Daejin’s standard pricing practices]

Daejin [CONFIDENTIAL TEXT DELETED – information about Daejin’s customer negotiation practices and pricing mechanics]

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.

PUBLIC RECORD

Daejin's domestic selling prices do not vary by the distribution channel. Domestic selling prices are determined by negotiation with customers, accordingly the selling price differs for different customers.

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.

No. Daejin does not provide on-invoice discounts and/or off-invoice rebates.

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.

During the investigation period Daejin [CONFIDENTIAL TEXT DELETED – explanation about Daejin's practice in issuing credit/debit notes]

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?

Daejin has reported the date of shipment from Daejin's factory as date of sale.

For domestic customers, Daejin does not issue the tax invoice on each sale, instead, it issues the tax invoice with amount accumulated on periodic basis, like bi-weekly or monthly as domestic sales are made more frequently than the export sales.

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

This is the point in the process that all terms of sales are fixed and finalized.

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.

PUBLIC RECORD

- 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.

Please see Appendix D-2 Domestic sales, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit D-2.2. [CONFIDENTIAL ATTACHMENT]

D-3 Sample domestic sales documents

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

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

Please see Exhibit D-3.1.1 and Exhibit D-3.1.2 for sample domestic sales documents. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit D-3.1.1 and Exhibit 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 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.

PUBLIC RECORD

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

Please see Appendix B-4 Upwards sales. [CONFIDENTIAL ATTACHMENT]

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.

Please see Exhibit B-4. [CONFIDENTIAL ATTACHMENT]

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 see Exhibit B-4. [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
 - (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?

Daejin uses [CONFIDENTIAL TEXT DELETED – comment about payment process and reporting methodology].

As instructed by the questionnaire, Daejin has calculated the accounts/notes receivable turnover and average credit term for each domestic customer. Please see Exhibit E-1.1 for calculations of sample domestic sales, and Exhibit E-1.2 for the calculation of short-term borrowing interest rate. [CONFIDENTIAL ATTACHMENTS]

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
 - (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?

PUBLIC RECORD

- 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?

Daejin's exports to Australia are entirely made by [CONFIDENTIAL TEXT DELETED – customer details]. The payment term for [CONFIDENTIAL TEXT DELETED – customer/s] is [CONFIDENTIAL TEXT DELETED – payment terms].

For the Australian export sales, Daejin has traced the actual payment date of each transaction. Please see Exhibit E-1.3 for calculations of sample export sales. [CONFIDENTIAL ATTACHMENT]

E-2 Packaging

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

Domestically, Daejin uses different packaging based on the [CONFIDENTIAL TEXT DELETED – production process] on products:

- **[CONFIDENTIAL TEXT DELETED – packaging used for specific model]**
- **[CONFIDENTIAL TEXT DELETED – packaging used for specific model]**
- **[CONFIDENTIAL TEXT DELETED – packaging detail for specific non GUC product]**

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

For exports to Australia, the packaging type differs based on temper:

- **[CONFIDENTIAL TEXT DELETED – packaging used for specific models]**
- **[CONFIDENTIAL TEXT DELETED – packaging used for both GUC and non GUC products]**

[CONFIDENTIAL TEXT DELETED – comment on packaging used for goods to Australia]. [CONFIDENTIAL TEXT DELETED – treatment of packing cost for exports to Australia]

[CONFIDENTIAL TEXT DELETED – explanation of spreadsheet reporting methodology]

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

Daejin distinguishes packing materials [CONFIDENTIAL TEXT DELETED – treatment of packing for domestic and export markets]

Daejin has calculated packing material costs for both domestic sales and export sales, and reported the average packing material cost per packaging type for each.

Please see Exhibit E-2.1. [CONFIDENTIAL ATTACHMENT]

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?

Daejin uses unrelated transportation companies to deliver the products, normally under [CONFIDENTIAL TEXT DELETED – delivery term]. In some instances, such as where volume is low, delivery is made on an [CONFIDENTIAL TEXT DELETED – delivery term]. Daejin has a daily shipping list showing the quantity shipped to customers, and this list is used to allocate actual delivery expense for each sales.

[CONFIDENTIAL TEXT DELETED – explanation of Daejin’s production process and sales arrangement for specific product]

[CONFIDENTIAL TEXT DELETED – explanation of delivery arrangement and treatment of delivery expense for specific product]

Please see Exhibit E-3.1 [CONFIDENTIAL ATTACHMENT]

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

The agreed delivery term between Daejin and [CONFIDENTIAL TEXT DELETED – customer/s] is [CONFIDENTIAL TEXT DELETED – delivery term].

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?

Daejin reported actual expenses for delivery to the port and port usage for each sales.

Daejin uses unaffiliated transportation company [CONFIDENTIAL TEXT DELETED – company name] for transportation to the port and [CONFIDENTIAL TEXT DELETED – company name] for the port usage.

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?

Not applicable.

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?

Not applicable.

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?

Not applicable.

E-4 Other direct selling expenses

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

During the investigation period, [CONFIDENTIAL TEXT DELETED – explanation about commission practices]

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?

(a) VAT

While 10% VAT is charged on domestic sales, zero rate is applied on export sales. The sales amount and VAT amount are separately recorded in the accounting system, and there is no VAT refund with respect to the sales of the goods under consideration.

(b) Duty drawback on imported raw materials

Daejin receives a duty drawback refund from Korean Customs Service for its Australian export sales, based on imported copper raw materials used in the production of these products.

[CONFIDENTIAL TEXT DELETED – explanation about Daejin refund amount and process] This process is in accordance with Articles 14 and 16 of Enforcement Decree of the Act on Special Cases concerning the Refund of Customs Duties, etc. levied on raw materials for export.

Please see Exhibit E-4.2(1) for regulations and tables for duty drawback.
[CONFIDENTIAL ATTACHMENT]

[CONFIDENTIAL TEXT DELETED – explanation about the process and procedure of the duty drawback system for Daejin]

[CONFIDENTIAL TEXT DELETED – explanation of reporting methodology]

Please see Exhibit E-4.2(2) for calculation. [CONFIDENTIAL ATTACHMENT]

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

Not applicable.

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

Not applicable.

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.

During the investigation period the [CONFIDENTIAL TEXT DELETED – detail of bad debt circumstance]. [CONFIDENTIAL TEXT DELETED – Daejin’s activities concerning bad debt].

[CONFIDENTIAL TEXT DELETED – explanation about Daejin’s accounting and sales treatment of bad debt circumstance detail]

Daejin considers that the unrecoverability of receivables and crystallised credit risk associated with the sales made to [CONFIDENTIAL TEXT DELETED – customer] in the period constitutes a difference in the circumstances of the sales when comparing domestic sales with export sales. The sales were modified in different ways by their circumstances. To account for this Daejin has reported the amount

PUBLIC RECORD

recognised as bad debt expenses as direct selling expenses based on sales made during the investigation period.

Please see Exhibit E-5.1 for details for the calculation and related supporting information. [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.

Daejin does export to third countries, in addition to Australia. These are exports to [CONFIDENTIAL TEXT DELETED – countries].

For exports to [CONFIDENTIAL TEXT DELETED – country], Daejin sells to [CONFIDENTIAL TEXT DELETED – explanation of export arrangement to country]. This is consistent with the process of the exports to Australia.

For exports to the [CONFIDENTIAL TEXT DELETED – country], Daejin sells [CONFIDENTIAL TEXT DELETED – explanation of export arrangement to country]. The processes below are described based on sales to the [CONFIDENTIAL TEXT DELETED – country].

- (a) Marketing and advertising activities:

Marketing and advertising activities are conducted by [CONFIDENTIAL TEXT DELETED – sales arrangement detail].

- (b) Price determination and/or negotiation process:

Daejin negotiates the price directly with customers based on the current market price of LME.

- (c) Order placement process:

Daejin receives the order via email.

- (d) Order fulfilment process and lead time:

The lead-time is normally [CONFIDENTIAL TEXT DELETED – number of days], as Daejin starts manufacturing the products for export sales once it receives the order from the agent.

- (e) Delivery terms and process:

Delivery term for direct export sales to the [CONFIDENTIAL TEXT DELETED – country] are [CONFIDENTIAL TEXT DELETED – delivery term].

- (f) Invoicing process:

Daejin issues invoice the customer directly.

(g) Payment terms and process:

Payment is made in USD within a week after the product is loaded on the vessel.

[CONFIDENTIAL TEXT DELETED – explanation of payment for specific sales arrangement]

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.

Not applicable as there are no related customers in [CONFIDENTIAL TEXT DELETED – countries].

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 [CONFIDENTIAL TEXT DELETED – country] export sales, Daejin reported the date of tax invoice issued.

For [CONFIDENTIAL TEXT DELETED – country] export sales, Daejin reported the date of the commercial invoice as the date of sale.

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

These are the respective dates that all conditions related to the sales are fixed and finalised.

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 see Appendix F-2 Third Country sales. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit F-2.2. [CONFIDENTIAL ATTACHMENT]

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.

All sales are affected by the prevailing 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.

Daejin's production process for the goods is as follows:

- **Casting - Daejin melts and mixes the raw materials at 1,250°C in the furnace to produce the billet by casting.**
- **Extrusion - billet produced during the casting is extruded to form pipe-shaped product. Daejin first cuts the billet based on the length of copper pipe ordered and heats it up to 850°C in heater. Daejin then extrudes the billet to produce basic form of copper tube – this is semi-finished copper tube.**
- **Drawing (Pipe Drawing/Tube Drawing) - this is the process where Daejin “draws” the copper pipe based on the specification requested by customers.**
- **Straightening and Cutting - the hard copper tube product is finalized and packed.**
- **Annealing - the annealing process is required to manufacture the soft or half-hard products. It is the process of heating the product by 650°C at the annealing furnace.**
- **Finalization and packing process for annealed product.**

Please see Exhibit G-1.1 for production process diagram. [CONFIDENTIAL ATTACHMENT]

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.

Not applicable as Daejin does not have any related suppliers.

G-2. Cost accounting practices

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

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Daejin's cost accounting system is based on actual costs.

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.

Not applicable.

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.

[CONFIDENTIAL TEXT DELETED – Daejin factory production explanation]

- (a) **Ansan Factory - Daejin produces various types of copper pipe products at Ansan factory, including the goods under consideration. These products are:**
 - (1) **Copper tube – [CONFIDENTIAL TEXT DELETED – detail about treatment for specific GUC model]**
 - (2) **[CONFIDENTIAL TEXT DELETED – detail about treatment for specific non GUC product].**
- (b) **[CONFIDENTIAL TEXT DELETED – explanation of treatment for produced non GUC products] These products are not the goods under consideration.**
- (c) **As explained, the goods under consideration are produced [CONFIDENTIAL TEXT DELETED – production process detail]**
 - (1) **[CONFIDENTIAL TEXT DELETED – cost centre detail for specified production processes].**
 - (2) **Production costs accumulated at straightening & cutting process are allocated [CONFIDENTIAL TEXT DELETED – cost centre detail for specified production processes].**
 - (3) **The indirect cost centre is organized by [CONFIDENTIAL TEXT DELETED – explanation about cost centre treatment].**

[CONFIDENTIAL TEXT DELETED – cost centre detail].

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Please see Exhibit G-2.4 for the list of Daejin's cost centres. [CONFIDENTIAL ATTACHMENT]

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

Daejin does not record the production costs by using specific stock keeping unit like model or specification. Instead, Daejin calculates and manages single production costs for all copper tube products.

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

Not applicable. There are no costs for management accounting purposes valued differently to financial accounting purposes.

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.

Not applicable. Daejin has not engaged in any start-up operations.

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)?

The unit cost of inventory assets is determined by using the [CONFIDENTIAL TEXT DELETED – explanation of valuation methodology]

If the net realizable value [CONFIDENTIAL TEXT DELETED – explanation of valuation methodology].

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

Any damaged or sub-standard goods generated at the various stages of production are taken as scraps and are re-introduced to casting process. Daejin manages the quantity of scraps [CONFIDENTIAL TEXT DELETED – explanation of valuation methodology].

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

By-products are valued at [CONFIDENTIAL TEXT DELETED – valuation methodology], and scraps generated at the various stage of production are re-used

during the casting process. Like defective products, unit cost of scrap is evaluated by [CONFIDENTIAL TEXT DELETED – valuation methodology].

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

Not applicable as Daejin has no parent or related company.

G-3 Cost to make on domestic market

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

Please see Appendix G-3 Domestic CTM, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit G-3.2. [CONFIDENTIAL ATTACHMENT]

G-4 Selling, General & Administration expenses

- 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 see Appendix G-4.1 SG&A listing, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

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 see Appendix G-4.2 Domestic SG&A calculation, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

G-5 Cost to make the goods exported to Australia

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

Please see Appendix G-5 Australian CTM, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit G-5.2. [CONFIDENTIAL ATTACHMENT]

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) Daejin's cost accounting system

Daejin calculates the cost for each production process based on actual costs. As explained above, Daejin does not compute the production costs by specific SKU specification. Instead, Daejin uses single production cost for finished products. Daejin's cost team [CONFIDENTIAL TEXT DELETED – explanation of cost accounting practice]. Please see Exhibit G-6.3 for the production report and inventory movement ledger. [CONFIDENTIAL ATTACHMENT]

Monthly manufacturing cost statements are prepared after raw material movements, production of work-in-process products, and production of finished products are accumulated. The processing cost for each process is recorded in the accounting system on a monthly basis, and raw material costs are recorded in raw material inventory movement ledger. As explained above, inventory value is computed by [CONFIDENTIAL TEXT DELETED – applied accounting valuation methodology].

The manufacturing cost statement is manually prepared on monthly basis for management purpose using [CONFIDENTIAL TEXT DELETED – Daejin's cost accounting practices].

(b) Reporting Methodology - MCC

Daejin records detailed information in its production report of finished products. This information was then used to populate the MCC structure as required for each product. The production report includes information about the annealing status and the product specification including outer diameter, thickness, etc. for all products.

As explained earlier, in MCC Category – “Standard” Daejin has reported “P” for products that meets the specification for products for plumbing, and “R” for products that meets the range of specification for products for air conditioning & refrigeration.

Daejin does not record the “capping” status in the production report. Instead, Daejin records it as part of packing expense in its accounting system. Daejin wishes to explain:

- Air conditioning & refrigeration products (i.e. AS 1571) typically use a cap. Accordingly, Daejin reported “C” for capping for products with “R” in MCC – Standard
- Plumbing products (i.e. AS 1432) typically do not use a cap. Accordingly, Daejin reported “U” for capping for products with “P” in Standard, and “C” for products with “R” in MCC –Standard.
- While Bunch Coil meets the specification in terms of outer diameter and thickness, it is half-finished product and a cap is not used (therefore the “U” for MCC Category – Capping was applied).

As noted earlier, Daejin [CONFIDENTIAL TEXT DELETED – explanation of production process for specific model and reporting methodology]

(a) Raw materials

[The major raw materials used for producing the goods are [CONFIDENTIAL TEXT DELETED – raw material detail]

[CONFIDENTIAL TEXT DELETED – explanation about Daejin’s treatment of raw material concerning production process]

[CONFIDENTIAL TEXT DELETED – explanation of Daejin’s reporting methodology for raw material costs]

(b) Labour

See response below.

(c) Manufacturing overheads

Daejin’s production process differs by [CONFIDENTIAL TEXT DELETED –specific production processes]

[CONFIDENTIAL TEXT DELETED – explanation of factory production procedure and Daejin’s production practices]

Daejin’s labor and manufacturing costs [CONFIDENTIAL TEXT DELETED – Daejin’s cost accounting practices]

Packing expense includes the packing material and related costs and the cost for cap used for products for air conditioning & refrigeration.

Daejin reported labor cost and manufacturing costs for each MCC as follows:

[CONFIDENTIAL TEXT DELETED – explanation of Daejin’s treatment of labor and manufacturing costs and the associated reporting methodology]

Please see Exhibit G-6.3 for details. [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.

Please see Exhibit G-6.3. [CONFIDENTIAL ATTACHMENT]

G-7 Major raw material costs

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

The main raw materials for copper pipe products are [CONFIDENTIAL TEXT DELETED – raw material details]. Daejin uses [CONFIDENTIAL TEXT DELETED – explanation of how raw material is used].

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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.

As Daejin does not manufacture raw materials, this question is not applicable.

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

The raw material cost for [CONFIDENTIAL TEXT DELETED – raw material detail] is [CONFIDENTIAL TEXT DELETED – percentage] of the total manufacturing costs.

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.

Please see Appendix G-7.4, Raw material purchase, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit G-7.5. [CONFIDENTIAL ATTACHMENT]

6. For each raw material:

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

Please see Exhibit G-7.6.1 and Exhibit G-7.6.2 for sample invoices. [CONFIDENTIAL ATTACHMENT]

As an example, Daejin explains for Exhibit G-7.6.1:

- (1) **Page One explains how to calculate the purchase price recorded in Purchase ledger.**

[CONFIDENTIAL TEXT DELETED – explanation of Daejin’s contract pricing mechanism] Please see pages two and three of Exhibit G-7.6.1 for the supply contract between Daejin and [CONFIDENTIAL TEXT DELETED - supplier].

[CONFIDENTIAL TEXT DELETED – explanation about application of the contract pricing mechanism]

- (2) **Page four provides [CONFIDENTIAL TEXT DELETED – details of the purchase process].**

In November 2019, the initial price of [CONFIDENTIAL TEXT DELETED – raw material] was KRW [CONFIDENTIAL TEXT DELETED – price]. With the settled price KRW [CONFIDENTIAL TEXT DELETED – price], meaning a fixed price of [CONFIDENTIAL TEXT DELETED – price]. Daejin made the purchase in total of [CONFIDENTIAL TEXT DELETED – price] KRW based on the initial price. The total settled amount is KRW [CONFIDENTIAL TEXT DELETED – price].

- (3) **Page five shows the accounting ledger for Account Code 14900 – Raw Material, where purchase and settlement for raw material are recorded.**

- (4) **Pages six and seven show the tax invoices for purchase [CONFIDENTIAL TEXT DELETED – detail on tax invoice]**

- 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.

Not applicable as there are no related suppliers in G-7.4. [CONFIDENTIAL ATTACHMENT]

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.

PUBLIC RECORD

- 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 see Appendix G-8 Upwards costs, which is in the spreadsheet workbook. [CONFIDENTIAL ATTACHMENT]

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 see Exhibit G-8.2 [CONFIDENTIAL ATTACHMENT]

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 see Exhibit G-8.2 [CONFIDENTIAL ATTACHMENT]

G-9 Capacity Utilisation

1. Please complete the worksheet named “G-9 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.

Daejin produces both the goods under consideration and goods not under consideration under a single production process at its Ansan factory.

To calculate the total production capacity, Daejin reported [CONFIDENTIAL TEXT DELETED - quantity] ton per month , which is the production capacity of an extruding machine, multiplied by 12 months. This extruding machine is the bottleneck in the entire production process.

Daejin has reported the production quantity of copper pipe products and toll processing as production quantity.

Please see Appendix G-9 Capacity Utilisation. [CONFIDENTIAL ATTACHMENT]

EXPORTER'S DECLARATION

I hereby declare that.....(company) 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: Mr. Seung Ryung HAN

Signature: 

Position in Company: General Manager.

Date: 2020/10/26

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 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)

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FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

The period

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

Like goods

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

Normal value

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

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

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

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

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

Ordinary course of trade

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

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

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

Selling, general and administration expenses (SG&A)

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

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

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