



Australian Government  
Department of Industry, Science,  
Energy and Resources

Anti-Dumping Commission

## Exporter Questionnaire

**Case number:** 566

**Case type:** Review of measures

**Product:** Steel Reinforcing Bar

**From:** the Republic of Korea, Singapore, Spain (except Nervacero S.A.)  
and Taiwan (except Power Steel Co. Ltd)

**Review period:** 1 July 2019 to 30 June 2020

**Response due by:** 19 October 2020

**Email enquiries to:** [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

**Anti-Dumping Commission website:** [www.adcommission.gov.au](http://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

<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>INSTRUCTIONS .....</b>	<b>3</b>
<b>CHECKLIST .....</b>	<b>6</b>
<b>GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES .....</b>	<b>7</b>
<b>SECTION A COMPANY INFORMATION.....</b>	<b>10</b>
A-1    COMPANY REPRESENTATIVE AND LOCATION .....	10
A-2    COMPANY INFORMATION.....	11
A-3    GENERAL ACCOUNTING INFORMATION .....	12
A-4    FINANCIAL DOCUMENTS .....	14
<b>SECTION B EXPORT SALES TO AUSTRALIA.....</b>	<b>10</b>
B-1    AUSTRALIAN EXPORT SALES PROCESS .....	16
B-2    AUSTRALIAN SALES LISTING .....	18
B-3    SAMPLE EXPORT DOCUMENTS.....	19
B-4    RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS .....	19
B-5    RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS .....	20
<b>SECTION C EXPORTED GOODS &amp; LIKE GOODS .....</b>	<b>16</b>
C-1    MODELS EXPORTED TO AUSTRALIA .....	21
C-2    MODELS SOLD IN THE DOMESTIC MARKET .....	21
C-3    INTERNAL PRODUCT CODES .....	22
<b>SECTION D DOMESTIC SALES .....</b>	<b>21</b>
D-1    DOMESTIC SALES PROCESS .....	23
D-2    DOMESTIC SALES LISTING .....	25
D-3    SAMPLE DOMESTIC SALES DOCUMENTS .....	25
D-4    RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS .....	26
<b>SECTION E DUE ALLOWANCE.....</b>	<b>27</b>
E-1    CREDIT EXPENSE .....	27
E-2    PACKAGING .....	28
E-3    DELIVERY .....	28
E-4    OTHER DIRECT SELLING EXPENSES .....	29
E-5    OTHER ADJUSTMENT CLAIMS .....	31
<b>SECTION F THIRD COUNTRY SALES .....</b>	<b>32</b>
F-1    THIRD COUNTRY SALES PROCESS .....	32
F-2    THIRD COUNTRY SALES LISTING .....	32
F-3    DIFFERENCES IN SALES TO THIRD COUNTRIES.....	33
<b>SECTION G COST TO MAKE AND SELL.....</b>	<b>34</b>
G-1.    PRODUCTION PROCESS .....	34
G-2.    COST ACCOUNTING PRACTICES.....	34
G-3    COST TO MAKE ON DOMESTIC MARKET .....	37
G-4    SELLING, GENERAL & ADMINISTRATION EXPENSES .....	38
G-5    COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA .....	38
G-6    COST ALLOCATION METHODOLOGY.....	39
G-7    MAJOR RAW MATERIAL COSTS.....	39
G-8    RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS.....	42
G-9    CAPACITY UTILISATION.....	42
G-10   PRODUCTION OF THE GOODS UNDER CONSIDERATION .....	43
<b>EXPORTER'S DECLARATION .....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>APPENDIX GLOSSARY OF TERMS.....</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>

## INSTRUCTIONS

### Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting a review of current anti-dumping measures with respect to steel reinforcing bar exported to Australia from the Republic of Korea, Singapore, Spain (except Nervacero S.A.) and Taiwan (except Power Steel Co. Ltd) (collectively the subject countries).

The Commission will use the information you provide to determine normal values and export prices over the review period (the period). This information will determine whether steel reinforcing bar 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 on onsite verification<sup>1</sup>. 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.

---

<sup>1</sup> 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.

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.
- 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"/>
A-1 Company representative and location  1. Please nominate a contact person within your company:  Name: <i>Yongil Lee</i> Position in the company: <i>As</i> <i>Manager of Steel Manager Group</i> Telephone: <i>82-2-2040-9757</i> E-mail address: <i>yilee@idaehan.com</i>  2. If you have appointed a representative, provide the their contact details:  Name: <i>John Bracic (J.Br</i> <i>Associates Pty. Ltd.)</i> Address: <i>PO Box 3026, Manuka</i> <i>2603, Australia</i> Telephone: <i>61-0499-056-729</i> E-mail address: <i>john@jbracic.com</i>  <i>In nominating a representative, you are granting au</i> <i>to the Commission to discuss matters relating to the</i> <i>with the nominated representative, including your</i> <i>company's confidential information.</i>  3. Please provide the location of the where the company's financial records are held.  <u><i>Answer:</i></u> <i>The company's financial records are</i> <i>maintained in headquarter located at the</i> <i>following address;</i> <i>HQ location: 69, Hasinbeonyeong-ro, Saha-</i> <i>gu, Busan, Korea</i>	<input checked="" type="checkbox"/>

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

Answer:

*The company's production records are maintained in each production facility located at the following addresses.*

<i>Plant Name</i>	
<i>Shinpyeong Plant (and HQ)</i>	<i>69, Hasinbeo</i>
<i>Noksan Plant</i>	<i>333 NoksanS</i>
<i>Pyeongtaek Plant</i>	<i>Pyeongtaek I Pyeongtaek-s</i>

*Please note all relevant electronic information provided in the questionnaire response can be accessible through the company's ERP system.*

## A-2 Company information

1. What is the legal name of your business?

Answer:

*The company's legal name is "DAEHAN STEEL CO., LTD." (hereinafter "DAEHAN").*

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

Answer:

*Not applicable. DAEHAN does not use any other name or brand while it sells the goods under consideration.*

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

Answer:

*Not applicable. DAEHAN has not used any other legal or trading name in its business of the goods under consideration.*

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

*Answer:*

*DAEHAN provides the requested information in Attachment A-2.4.*

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

*Answer:*

*DAEHAN provides the requested information in Attachment A-2.5.*

6. Is your company or parent company publically listed?  
If yes, please provide:
- (a) The stock exchange where it is listed; and
  - (b) Any principle shareholders
- If no, please provide:
- (a) A list of all principal shareholders and the shareholding percentages.

*Answer:*

*The company's shares have been publicly listed on the Korea Stock Exchange since October 2005. A list of major shareholders is provided in Attachment A-2.6.*

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.

*Answer:*



*DAEHAN is a steel manufacturer mainly produces and sells square billet, deformed bar-in-length (DBIL), deformed bar-in-coil (DBIC) and processed rebar products. DAEHAN sold the goods under consideration into domestic market as well as various export markets including Australia during the review period.*

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

*Answer:*

*Not applicable. DAEHAN performs all of the above functions in relation to the goods under consideration.*

9. Provide your company's internal organisation chart.

*Answer:*

*The requested information is provided at Attachment A-2.9.*

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

*Answer:*

*DAEHAN's organizational structure consists of*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

<div style="background-color: blue; height: 15px; width: 330px; margin-bottom: 5px;"></div> <div style="background-color: blue; height: 15px; width: 330px; margin-bottom: 5px;"></div> <div style="background-color: blue; height: 15px; width: 180px;"></div>	
<p>11. Does your company produce brochures, pamphlets or other promotional material? If yes, please provide them.</p> <p><u>Answer:</u></p> <p><i>DAEHAN provides its brochure at Attachment A-2.11.</i></p>	
<p><b>A-3 General accounting information</b></p> <p>1. What is your financial accounting period?</p> <p><u>Answer:</u></p> <p><i>DAEHAN's fiscal year is the calendar year, from January 1 to December 31.</i></p> <p>2. Are your financial accounts audited? If yes, who is the auditor?</p> <p><u>Answer:</u></p> <p><i>DAEHAN's financial accounts are audited by the independent auditors, for the fiscal year of 2019, were audited by Samil PwC (PricewaterhouseCoopers).</i></p> <p>3. What currency are your accounts kept in?</p> <p><u>Answer:</u></p> <p><i>DAEHAN's accounts are kept in Korean Won (KRW).</i></p> <p>4. What is the name of your financial accounting system?</p> <p><u>Answer:</u></p> <p><i>DAEHAN maintains an integrated ERP system (called as "SAP") containing financial and cost accounting system in the normal course of business. This ERP system</i></p>	

*has each sub-module such as “FI” (financial accounting), “CO” (controlling), “SD” (sales and distribution), “MM” (materials management) and “PP” (production planning) which are integral parts of DAEHAN’s accounting system used to prepare the company’s normal financial statement data.*

5. What is the name of your sales system?

*Answer:*

*DAEHAN’s sales records are maintained in SAP ERP system.*

6. What is the name of your production system?

*Answer:*

*DAEHAN’s production records are maintained in SAP ERP system.*

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

*Answer:*

*Not applicable. DAEHAN maintains the integrated SAP ERP system covers the financial accounting, sales as well as production information, and so on.*

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

*Answer:*

*DAEHAN maintains its financial records in accordance with the Korean International Financial Reporting Standards (K-IFRS).*

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

Answer:

*DAEHAN has not changed any of the accounting methods used by the company over the last two financial years.*

#### A-4 Financial Documents

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

Answer:

*DAEHAN provides the requested information at Attachment A-4.1.*

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.

Answer:


*Not applicable. DAEHAN has provided the audited financial statements.*

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.

Answer:

*Not applicable. DAEHAN does not segregate the profit centres for financial accounting purposes.*

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

<p>(a) Income statements directly from your accounting information system covering the most recent financial period and the period; <u>or</u></p> <p>(b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.</p> <p><u>Answer:</u></p> <p><i>DAEHAN provides the requested information at Attachment A-4.4.</i></p> <p>5. Please provide a copy of your company's trial balance (in Excel) covering the period and the most recent financial year.</p> <p><u>Answer:</u></p> <p><i>DAEHAN provides the requested information at Attachment A-4.5.</i></p> <p>6. Please provide your company's chart of accounts (in Excel).</p> <p><u>Answer:</u></p> <p><i>DAEHAN provides the requested information at Attachment A-4.6.</i></p> <p>Section B Export sales to Australia</p>	
<p>B-1 Australian export sales process</p> <p>Provide details (and diagrams if appropriate) of the export sales process of your company and any entities (e.g. agents) including:</p> <ul style="list-style-type: none"> <li>(a) Marketing and advertising activities</li> <li>(b) Price determination and/or negotiation process</li> <li>(c) Order placement process</li> <li>(d) Order fulfilment process and lead time</li> <li>(e) Delivery terms and process</li> <li>(f) Invoicing process</li> <li>(g) Payment terms and process</li> </ul> <p><u>Answer:</u></p> <p><i>For export sales of the goods under consideration to Australia, DAEHAN has two channels of distribution during the review period as follows;</i></p>	

Channel 1

*DAEHAN sold the goods under consideration to an unrelated trading company during the reporting period. All sales made by DAEHAN to the unrelated trading company were made on a [REDACTED] basis. The negotiation process starts with the trading company contacting DAEHAN to negotiate sales terms (e.g.,*

*[REDACTED]).*

*The trading company firstly issues purchase order to DAEHAN, and then DAEHAN confirms that contract after negotiation between two parties. Once this process is concluded, DAEHAN carries out the production of the goods, which are shipped to the destination. DAEHAN issues the commercial invoice approximately on the date of shipment to the trading company.*

Channel2

*DAEHAN sold the goods under consideration to an unrelated Australian distributor during the reporting period. All sales made by DAEHAN to the Australian distributor were made on a [REDACTED] basis. The sales process for this customer was not significantly different from channel 1 except that DAEHAN*

[redacted]  
*[terms of sale].*

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:
- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;
  - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;
  - (c) How is the exchange rate determined in your accounting system and how often is it updated?

*Answer:*

*DAEHAN invoiced its customers and received payment from the customers on a [redacted] basis for goods exported to Australia during the reporting period. In its normal accounting system, DAEHAN records those foreign currency transactions in Korean won at the exchange rate on the specific date the transaction is initially recorded. The exchange rate is daily updated on the SAP ERP system based on the exchange rate officially announced by Busan Bank. Also, there were no contracts to lock in the foreign exchange rate relating to the export sales during the review period.*

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.

*Answer:*

*Not applicable. There were no related customers of the goods exported to Australia during the review period.*

<p>4. If sales are in accordance with price lists or price extras list, provide copies of these lists.</p> <p><u>Answer:</u></p> <p><i>Not applicable. The export sales of the goods to Australia were not made in accordance with price list.</i></p> <p>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.</p> <p><u>Answer:</u></p> <p><i>Not applicable. DAEHAN's selling prices were not varied according to the distribution channels during the review period.</i></p> <p>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.</p> <p><u>Answer:</u></p> <p><i>Not applicable. DAEHAN did not provide any discount or rebate to its customers in relation to the sale of the goods exported to Australia during the review period.</i></p> <p>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.</p> <p><u>Answer:</u></p> <p><i>Not applicable. DAEHAN did not issue any credit or debit notes to its customers in relation to the sale of the goods exported to Australia during the review period.</i></p>	
---	--



8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
- (a) What date are you claiming as the date of sale?
  - (b) Why does this date best reflect the material terms of sale?

Answer:

*Not applicable. DAEHAN does not claim a different date as the date of sale rather than the invoice date.*

## B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"
  - This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
  - This worksheet must also include exports of the goods that have been exempted from anti-dumping duties under 8(7) and section 10(8) of the *Customs Tariff (Anti-Dumping) Act 1975*.
  - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

Answer:

*The requested worksheet is provided at Attachment B-2.*

2. Complete worksheet "B-2.2 Australian sales source" showing the relevant source of the

data used for each column of worksheet "B-2 Australian sales".

*Answer:*

*The requested worksheet is provided at Attachment B-2.2.*

### **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 translation of the documents.*

*Answer:*

*The requested documentation is provided at Attachment B-3.*

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.

*Answer:*

*The requested information is provided at Attachment B-3.*

### **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.

*Answer:*

*The requested worksheet is provided at Attachment B-4.*

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.

*Answer:*

*The requested information is provided at Attachment B-4.*


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; and
  - provide the account code and sub-account code (if applicable) at column E of the worksheet.

*Answer:*

*The requested information is provided at Attachment B-4.*

## **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.

<ul style="list-style-type: none"> <li>If you have used formulas to complete this worksheet, these formulas must be retained.</li> </ul> <p><u>Answer:</u></p> <p><i>The requested worksheet is provided at Attachment B-5.</i></p> <p>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.</p> <p><u>Answer:</u></p> <p><i>The requested information is provided at Attachment B-5.</i></p> <p>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:</p> <ul style="list-style-type: none"> <li>the name of the source document, including the relevant page number, in column C of the worksheet; <u>and</u></li> <li>highlight or annotate the amount shown in the source document; <u>and</u></li> <li>provide the account code and sub-account code (if applicable) at column D of the worksheet.</li> </ul> <p><u>Answer:</u></p> <p><i>The requested information is provided at Attachment B-5.</i></p> <p>Section C Exported goods &amp; like goods</p>	
<p>C-1 Models exported to Australia</p> <p>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.</p> <p><u>Answer:</u></p> <p><i>DAEHAN exported DBIC (deformed bar-in-coil) products to Australia during the review period. Concerning the specification information of the goods under</i></p>	

*consideration exported to Australia, please refer to DAEHAN's company brochure provided at Attachment A-2.11.*

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.

**Answer:**

*DAEHAN provides a list of MCCs of the goods exported to Australia below and in Attachment C-1.2.*

MCC	Prime	Minimum yield strength specified by product standard	Finished form	
P-C-C-B-C-N	P	C	C	
P-C-C-C-C-N	P	C	C	

## **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.

**Answer:**

*DAEHAN sold DBIL (deformed bar-in-length, i.e., straight rebar) products as well as DBIC products on the domestic market the review period. Concerning the specification information of the goods under consideration sold on the domestic market, please refer to DAEHAN's company brochure provided at Attachment A-2.11.*

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

**Answer:**

*DAEHAN provides a list of MCCs of like goods sold on the domestic market below and in Attachment C-2.2.*

MCC	Prime	Minimum yield strength specified by product standard	Finished form	Nominal diameter
P-A-S-A-2-N	P	A	S	A
P-A-S-B-2-N	P	A	S	B
P-A-S-C-1-N	P	A	S	C
P-A-S-C-2-N	P	A	S	C
P-B-C-A-C-N	P	B	C	A
P-B-C-B-C-N	P	B	C	B
P-B-S-A-2-N	P	B	S	A
P-B-S-B-1-N	P	B	S	B
P-B-S-B-2-N	P	B	S	B
P-B-S-C-1-N	P	B	S	C
P-B-S-C-2-N	P	B	S	C
P-C-C-A-C-N	P	C	C	A
P-C-C-B-C-N	P	C	C	B
P-C-S-A-2-N	P	C	S	A
P-C-S-B-1-N	P	C	S	B
P-C-S-B-2-N	P	C	S	B
P-C-S-C-1-N	P	C	S	C
P-C-S-C-2-N	P	C	S	C
P-D-S-B-2-N	P	D	S	B
P-D-S-C-1-N	P	D	S	C
P-D-S-C-2-N	P	D	S	C

**C-3 Internal product codes**

1. Does your company use product codes or stock keeping unit (SKU) codes?
  - If yes:
    - (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
    - (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
    - (c) Provide a table of showing the product or SKU codes for each MCC.
  - If no:
    - (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

**Answer:**

*DAEHAN maintains a product code (material item code) system to identify the*

PUBLIC RECORD

<p><i>specifications and key physical characteristics of all products for inventory control purpose. DAEHAN uses this product code in the normal course of business such as cost calculation, sales data management and so on. Attachment C-3 contains the details of product code system and mapping methodology along with a table showing mapping results for the response purpose.</i></p>	
Section D Domestic sales	
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"/>
<b>Error! Reference source not found.</b>	<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"/>
G-9 Capacity Utilisation	<input checked="" type="checkbox"/>

## GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

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

*Hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process. The goods include all steel reinforcing bar meeting the above description of the goods regardless of the particular grade or alloy content or coating.*

The goods subject to the anti-dumping measures do not include:

- plain round bar,
- stainless steel; and
- reinforcing mesh.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:<sup>2</sup>

Tariff Subheading	Statistical Code	Description
<b>7213</b>		BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF IRON OR NON-ALLOY STEEL
<b>7213.10.00</b>	42	Containing indentations, ribs, grooves or other deformations produced during the rolling process
<b>7214</b>		OTHER BARS AND RODS OF IRON OR NON- ALLOY STEEL, NOT FURTHER WORKED THAN FORGED, HOT-ROLLED, HOT-DRAWN OR HOT- EXTRUDED, BUT INCLUDING THOSE TWISTED AFTER ROLLING
<b>7214.20.00</b>	47	Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling
<b>7227</b>		BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF OTHER ALLOY STEEL
<b>7227.90</b>		Other
<b>7227.90.10</b>	69	Goods, as follows: <ul style="list-style-type: none"> <li>a. of high alloy steel;</li> <li>b. "flattened circles" and "modified rectangles" as defined in Note 1(l) to Chapter 72</li> </ul>
<b>7227.90.90</b>	01	Containing indentations, ribs, grooves or other deformations produced during the rolling process
	02	Of circular cross-section measuring less than 14 mm in diameter
	04	Other
<b>7228</b>		OTHER BARS AND RODS OF OTHER ALLOY STEEL; ANGLES, SHAPES AND SECTIONS, OF OTHER ALLOY STEEL; HOLLOW DRILL BARS AND RODS, OF ALLOY OR NON-ALLOY STEEL
<b>7228.30</b>		Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded

<sup>2</sup> These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.



**PUBLIC RECORD**

Tariff Subheading	Statistical Code	Description
7228.30.10	70	Goods, as follows: a. of high alloy steel; b. "flattened circles" and "modified rectangles" as defined in Note 1(m) to Chapter 72
7228.30.90	40	<i>Containing indentations, ribs, grooves or other deformations produced during the rolling process</i>
7228.60	Other bars and rods	
7228.60.10	72	Goods, as follows: a. of high alloy steel; b. "flattened circles" and "modified rectangles" as defined in Note 1(m) to Chapter 72

**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	Prime	Prime	P	Mandatory	N/A
		Non-Prime	N		
2	Minimum yield strength specified by product standard (Mega Pascals or "MPa")	Less than or equal to 300	A	Mandatory	Mandatory
		Greater than 300 but less than or equal to 480	B		
		Greater than 480 but less than 550	C		
		Equal to or greater than 550	D		
3	Finished form	Rebar in length/straight	S	Mandatory	Mandatory
		Rebar in coil	C		
4	Nominal diameter (millimetres or "mm")	Less than 12	A	Mandatory	Optional
		Greater than or equal to 12 and less than or equal to 16	B		
		Greater than 16 and less than or equal to 32	C		

**PUBLIC RECORD**

Item	Category	Sub-category	Identifier	Sales Data	Cost Data
		Greater than 32 and less than or equal to 50	D		
5	Length (metres or "m")	Less than or equal to 6	1	Mandatory	Optional
		Greater than 6 and less than or equal to 12	2		
		Greater than 12	3		
		Coil product	C		
6	Deformation pattern along Length	Threaded	T	Mandatory	Optional
		Non-Threaded	N		

In constructing a MCC, use a "-" between each category. For example: P-B-S-B-3-N

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

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

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

5. Please nominate a contact person within your company:

Name: *Yongil Lee*

Position in the company: *Assistant Manager of Steel Manager Group*

Telephone: *82-2-2040-9757*

E-mail address: *yilee@idaehan.com*

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

Name: *John Bracic (J.Bracic& Associates Pty. Ltd.)*

Address: *PO Box 3026, Manuka, ACT 2603, Australia*

Telephone: *61-0499-056-729*

E-mail address: *john@jbracic.com.au*

*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.*

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

*Answer:*

*The company's financial records are maintained in headquarter located at the following address;*

*HQ location: 69, Hasinbeonyeong-ro, Saha-gu, Busan, Korea*

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

*Answer:*

*The company's production records are maintained in each production facility located at the following addresses.*

<i>Plant Name</i>	<i>Address</i>
<i>Shinpyeong Plant (and HQ)</i>	<i>69, Hasinbeonyeong-ro, Saha-gu, Busan, Korea</i>
<i>Noksan Plant</i>	<i>333 NoksanSaneop Book-ro, Gangseo-gu, Busan, Korea</i>
<i>Pyeongtaek Plant</i>	<i>Pyeongtaek Hang-ro, 268 Beon-gil, Poseung-eup, Pyeongtaek-si, Gyeonggi-do, Korea</i>

*Please note all relevant electronic information provided in the questionnaire response can be accessible through the company's ERP system.*

## A-2 Company information

12. What is the legal name of your business?

Answer:

*The company's legal name is "DAEHAN STEEL CO., LTD." (hereinafter "DAEHAN").*

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

Answer:

*Not applicable. DAEHAN does not use any other name or brand while it sells the goods under consideration.*

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

Answer:

*Not applicable. DAEHAN has not used any other legal or trading name in its business of the goods under consideration.*

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

Answer:

*DAEHAN provides the requested information in Attachment A-2.4.*

16. 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

Answer:

*DAEHAN provides the requested information in Attachment A-2.5.*

17. Is your company or parent company publically listed?  
If yes, please provide:

- (a) The stock exchange where it is listed; and
- (b) Any principle shareholders<sup>3</sup>

If no, please provide:

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

Answer:

*The company's shares have been publicly listed on the Korea Stock Exchange since October 2005. A list of major shareholders is provided in Attachment A-2.6.*

---

<sup>3</sup> 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.

18. 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.

Answer:

*DAEHAN is a steel manufacturer mainly produces and sells square billet, deformed bar-in-length (DBIL), deformed bar-in-coil (DBIC) and processed rebar products. DAEHAN sold the goods under consideration into domestic market as well as various export markets including Australia during the review period.*

19. 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:
- (e) produce or manufacture;
  - (f) sell in the domestic market;
  - (g) export to Australia; and
  - (h) export to countries other than Australia.

Answer:

*Not applicable. DAEHAN performs all of the above functions in relation to the goods under consideration.*

20. Provide your company's internal organisation chart.

Answer:

*The requested information is provided at Attachment A-2.9.*

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

Answer:

*DAEHAN's organizational structure consists of*

[REDACTED]

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

Answer:

*DAEHAN provides its brochure at Attachment A-2.11.*

### A-3 General accounting information

10. What is your financial accounting period?

Answer:

*DAEHAN's fiscal year is the calendar year, from January 1 to December 31.*

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

Answer:

*DAEHAN's financial accounts are audited by the independent auditors, for the fiscal year of 2019, were audited by Samil PwC (PricewaterhouseCoopers).*

12. What currency are your accounts kept in?

Answer:

*DAEHAN's accounts are kept in Korean Won (KRW).*

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

Answer:

*DAEHAN maintains an integrated ERP system (called as "SAP") containing financial and cost accounting system in the normal course of business. This ERP system has each sub-module such as "FI" (financial accounting), "CO" (controlling), "SD" (sales and distribution), "MM" (materials management) and "PP" (production planning) which are integral parts of DAEHAN's accounting system used to prepare the company's normal financial statement data.*

14. What is the name of your sales system?

Answer:

*DAEHAN's sales records are maintained in SAP ERP system.*

15. What is the name of your production system?

Answer:

*DAEHAN's production records are maintained in SAP ERP system.*

16. 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.

Answer:

*Not applicable. DAEHAN maintains the integrated SAP ERP system covers the financial accounting, sales as well as production information, and so on.*

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

Answer:

*DAEHAN maintains its financial records in accordance with the Korean International Financial Reporting Standards (K-IFRS).*

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

Answer:

*DAEHAN has not changed any of the accounting methods used by the company over the last two financial years.*

## A-4 Financial Documents

7. 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.

Answer:

*DAEHAN provides the requested information at Attachment A-4.1.*

8. 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.

Answer:

*Not applicable. DAEHAN has provided the audited financial statements.*

9. 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.

Answer:

*Not applicable. DAEHAN does not segregate the profit centres for financial accounting purposes.*

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

Answer:

*DAEHAN provides the requested information at Attachment A-4.4.*

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

Answer:

*DAEHAN provides the requested information at Attachment A-4.5.*

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

Answer:

*DAEHAN provides the requested information at Attachment A-4.6.*



## SECTION B

### EXPORT SALES TO AUSTRALIA

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

#### B-1 Australian export sales process

9. 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

Answer:

*For export sales of the goods under consideration to Australia, DAEHAN has two channels of distribution during the review period as follows;*

Channel 1



*DAEHAN sold the goods under consideration to an unrelated trading company during the reporting period. All sales made by DAEHAN to the unrelated trading company were made on a XXX basis. The negotiation process starts with the trading company contacting DAEHAN to negotiate sales terms (e.g., XXXXXXXXXXXX). The trading company firstly issues purchase order to DAEHAN, and then DAEHAN confirms that contract after negotiation between two parties. Once this process is concluded, DAEHAN carries out the production of the goods, which are shipped to the destination. DAEHAN issues the commercial invoice approximately on the date of shipment to the trading company.*

Channel2



*DAEHAN sold the goods under consideration to an unrelated Australian distributor during the reporting period. All sales made by DAEHAN to the Australian distributor were made on a*

basis. The sales process for this customer was not significantly different from channel 1 except that DAEHAN [REDACTED] [terms of sale].

10. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:
- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;
  - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;
  - (c) How is the exchange rate determined in your accounting system and how often is it updated?

Answer:

DAEHAN invoiced its customers and received payment from the customers on a [REDACTED] basis for goods exported to Australia during the reporting period. In its normal accounting system, DAEHAN records those foreign currency transactions in Korean won at the exchange rate on the specific date the transaction is initially recorded. The exchange rate is daily updated on the SAP ERP system based on the exchange rate officially announced by Busan Bank. Also, there were no contracts to lock in the foreign exchange rate relating to the export sales during the review period.

11. 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.

Answer:

Not applicable. There were no related customers of the goods exported to Australia during the review period.

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

Answer:

Not applicable. The export sales of the goods to Australia were not made in accordance with price list.

13. 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.

Answer:

Not applicable. DAEHAN's selling prices were not varied according to the distribution channels during the review period.

14. 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.

Answer:

*Not applicable. DAEHAN did not provide any discount or rebate to its customers in relation to the sale of the goods exported to Australia during the review period.*

15. 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.

Answer:

*Not applicable. DAEHAN did not issue any credit or debit notes to its customers in relation to the sale of the goods exported to Australia during the review period.*

16. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
- (a) What date are you claiming as the date of sale?
  - (b) Why does this date best reflect the material terms of sale?

Answer:

*Not applicable. DAEHAN does not claim a different date as the date of sale rather than the invoice date.*

## B-2 Australian sales listing

3. Complete the worksheet named "B-2 Australian sales"
- This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
  - This worksheet must also include exports of the goods that have been exempted from anti-dumping duties under 8(7) and section 10(8) of the *Customs Tariff (Anti-Dumping) Act 1975*<sup>4</sup>.
  - 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.

Answer:

*The requested worksheet is provided at Attachment B-2.*

4. Complete worksheet "B-2.2 Australian sales source" showing the relevant source of the data used for each column of worksheet "B-2 Australian sales".

Answer:

*The requested worksheet is provided at Attachment B-2.2.*

---

<sup>4</sup> Please note that there are 2 exemptions currently in place for Steel Reinforcing Bar. Please refer to [EX0070](#) and [EX0072](#) for further details.

### B-3 Sample export documents

3. 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.*

*Answer:*

*The requested documentation is provided at Attachment B-3.*

4. 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.

*Answer:*

*The requested information is provided at Attachment B-3.*

### B-4 Reconciliation of sales to financial accounts

4. 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.

*Answer:*

*The requested worksheet is provided at Attachment B-4.*

5. 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.

*Answer:*

*The requested information is provided at Attachment B-4.*

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

Answer:

*The requested information is provided at Attachment B-4.*

## **B-5 Reconciliation of direct selling expenses to financial accounts**

4. Please complete the worksheet named "B-5 Upwards selling expense" to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Answer:

*The requested worksheet is provided at Attachment B-5.*

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

Answer:

*The requested information is provided at Attachment B-5.*

6. For any amount in the "B-5 Upwards selling expense" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column C of the worksheet; and
  - highlight or annotate the amount shown in the source document; and
  - provide the account code and sub-account code (if applicable) at column D of the worksheet.

Answer:

*The requested information is provided at Attachment B-5.*

## 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

3. 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.

Answer:

*DAEHAN exported DBIC (deformed bar-in-coil) products to Australia during the review period. Concerning the specification information of the goods under consideration exported to Australia, please refer to DAEHAN's company brochure provided at Attachment A-2.11.*

4. 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.

Answer:

*DAEHAN provides a list of MCCs of the goods exported to Australia below and in Attachment C-1.2.*

MCC	Prime	Minimum yield strength specified by product standard	Finished form	Nominal diameter	Length	Deformation pattern along Length
P-C-C-B-C-N	P	C	C	B	C	N
P-C-C-C-C-N	P	C	C	C	C	N

#### C-2 Models sold in the domestic market

3. 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.

Answer:

*DAEHAN sold DBIL (deformed bar-in-length, i.e., straight rebar) products as well as DBIC products on the domestic market the review period. Concerning the specification information of the goods under consideration sold on the domestic market, please refer to DAEHAN's company brochure provided at Attachment A-2.11.*

4. 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.

Answer:

*DAEHAN provides a list of MCCs of like goods sold on the domestic market below and in Attachment C-2.2.*

MCC	Prime	Minimum yield strength specified by product standard	Finished form	Nominal diameter	Length	Deformation pattern along Length
P-A-S-A-2-N	P	A	S	A	2	N
P-A-S-B-2-N	P	A	S	B	2	N
P-A-S-C-1-N	P	A	S	C	1	N
P-A-S-C-2-N	P	A	S	C	2	N
P-B-C-A-C-N	P	B	C	A	C	N
P-B-C-B-C-N	P	B	C	B	C	N
P-B-S-A-2-N	P	B	S	A	2	N
P-B-S-B-1-N	P	B	S	B	1	N
P-B-S-B-2-N	P	B	S	B	2	N
P-B-S-C-1-N	P	B	S	C	1	N
P-B-S-C-2-N	P	B	S	C	2	N
P-C-C-A-C-N	P	C	C	A	C	N
P-C-C-B-C-N	P	C	C	B	C	N
P-C-S-A-2-N	P	C	S	A	2	N
P-C-S-B-1-N	P	C	S	B	1	N
P-C-S-B-2-N	P	C	S	B	2	N
P-C-S-C-1-N	P	C	S	C	1	N
P-C-S-C-2-N	P	C	S	C	2	N
P-D-S-B-2-N	P	D	S	B	2	N
P-D-S-C-1-N	P	D	S	C	1	N
P-D-S-C-2-N	P	D	S	C	2	N

### C-3 Internal product codes

2. 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.

Answer:

*DAEHAN maintains a product code (material item code) system to identify the specifications and key physical characteristics of all products for inventory control purpose. DAEHAN uses this product code in the normal course of business such as cost calculation, sales data management and so on. Attachment C-3 contains the details of product code system and mapping methodology along with a table showing mapping results for the response purpose.*

## 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

Answer:

*In the domestic market, DAEHAN sold [REDACTED]. The distribution channel can be summarized as follows:*

*[Confidential diagram removed]*

*DAEHAN sold most of like goods [REDACTED]*

*The general sales process is as follows and there is no significant difference in the sales process among classes of customers. [REDACTED]*

*[REDACTED]*  
*[REDACTED]*  
*[REDACTED]*  
*[REDACTED] [detailed process of negotiation and ordering].*

*(\*)Note:*

*In the domestic sale listing, DAEHAN has classified certain individual transactions as 'Barter Sales'. These identify the transactions which involve payment being made by the domestic customer with traded goods in accordance with barter agreement with the customers. By contrast, non-barter sales have been classified as 'Commercial Sales' which signifies that the domestic customer made a monetary payment for the goods.*

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.

Answer:



*DAEHAN sold a small volume of sales in the domestic market to related companies, [REDACTED] during the review period.*

*[REDACTED] mainly act as a distributor that resell DBIL products (which were not exported to Australia) in domestic market. On the other hand, for the DBIC products, [REDACTED] mostly further-processes the goods purchased from DAEHAN to consume internally, while [REDACTED] had negligible purchases from DAEHAN (e.g., XXX% of total DBIC sales of DAEHAN, volume basis) during the review period. Please note there is no difference in DAEHAN's practice on the selling price setting regardless of relationship.*

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

Answer:

*For domestic sales, DAEHAN uses [REDACTED]  
[REDACTED]. In other words, DAEHAN's sales personnel may  
[REDACTED]  
[REDACTED]. A sample of the [REDACTED] of DAEHAN in the domestic market is provided at Attachment D-1.3.*

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.

Answer:

*DAEHAN's selling prices do not vary according to the distribution channel. Rather, the prices are determined through [REDACTED] between DAEHAN and its domestic customers considering the product characteristics.*

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

Answer:

*To promote DBIC sales in the domestic market, DAEHAN provided [REDACTED]  
[REDACTED]  
[REDACTED]. The calculation worksheet for the customers  
[REDACTED] is provided in Attachment D-1.5.*

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.

Answer:

*In the normal course of business, DAEHAN may issue credit or debit notes for its domestic sales. During the review period, a few credit or debit notes were issued in the instances such as post-sale price adjustments, invoice corrections and so on. DAEHAN tracked the credit/debit notes to the applicable sales for the response purpose, and reported in the field "Other charges (billing adjustment)" on a transaction-specific basis. A sample calculation for the reported billing adjustment is included in the sample domestic sales documentation.*

7. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
  - (a) What date are you claiming as the date of sale?
  - (b) Why does this date best reflect the material terms of sale?

Answer:

*Not applicable. DAEHAN does not claim any other date as a date of sale than the invoice date.*

## D-2 Domestic sales listing

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

Answer:

*The requested worksheet is provided in Attachment D-2.*

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

Answer:

*The requested worksheet is provided in Attachment D-2.2.*

## 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.*

Answer:

*The sample documentation of the two largest invoices by value out of the commercial sales of DBIC comparable to Australian exports are provided in Attachment D-3.1.*

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.

Answer:

*The requested information is provided in Attachment D-3.1.*

## **D-4 Reconciliation of sales to financial accounts**

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

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listings in D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide all documents, other than those in A-4, D-2 and F-2, required to complete the "B-4 Upwards sales" worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the "B-4 Upwards sales" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

Answer:

- *Question D-4 is not applicable since DAEHAN has completed its response to question B-4.*

## 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?

Answer:

*In the normal course of business, DAEHAN provides credit to domestic customers in relation to sales of like goods. The terms of payment are agreed with domestic customers at the time of sale and specified on the sales order information in SAP ERP system. DAEHAN provides a list of various payment terms offered to domestic customers at Attachment E-1.1(1). DAEHAN has reported in the field "Other Expense (Credit)" its credit expenses in the domestic sales listing which were calculated on a transaction-specific basis using the following formula;*

$$\text{Net Invoice Value} * (\text{Payment date} - \text{Invoice date}) / 365 * \text{Short-term Rate}$$

*DAEHAN [REDACTED] denominated in Korean Won (KRW) during the review period, and therefore has used a short-term interest rate based on [REDACTED]. The calculation of average short-term rate applicable to DAEHAN's [REDACTED] during the review period is provided in Attachment E-1.1(2).*

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 Australian customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each Australian 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?
    - ii. Do you have 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?

Answer:

*DAEHAN has reported credit expense on export sales in the field “Other Expense (Credit)” in the Australian export sales listing. The reported credit expenses were calculated on a transaction-specific basis using the following formula;*

$$\text{Net Invoice Value} * (\text{Payment date} - \text{Invoice date}) / 365 * \text{Short-term Rate}$$

*The calculation of DAEHAN’s average short-term borrowing rate denominated in the foreign currency in its accounting ledger during the review period is provided in Attachment E-1.2.*

## E-2 Packaging

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

Answer:

*Not applicable. DAEHAN did not incur any separate packing costs for export sales or domestic sales of the goods under consideration since its packaging is extremely simple in nature.*

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

Answer:

*Not applicable.*

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

Answer:

*Not applicable.*

## 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?

Answer:

*For the domestic sales of GUC during the review period, DAEHAN’s terms of delivery were either “Ex-works” or “Delivered”. In the case of delivered terms, DAEHAN transported the goods by truck from its factory to the designated destination. Those inland freight expenses have been reported on a transaction-specific basis in the field “Inland Transport” in the domestic sales listing in Korean Won (KRW).*

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

Answer:

*For the export sales of GUC to Australia during the review period, DAEHAN's delivery term for all sales was [REDACTED] except [REDACTED] 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?

Answer:

*The inland freight, handling and other port expenses which DAEHAN actually paid have been reported on a transaction-specific basis in the fields of "Inland Transport" and "Handling & other" respectively in the Australian sales listing. Please note those expenses were incurred and charged to DAEHAN in Korean Won (KRW), and thus reported on a KRW basis.*

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

Answer:

*The ocean freight which DAEHAN actually paid has been reported on a transaction-specific basis in the field "Ocean Freight" in the Australian sales listing for a sale of [REDACTED] term. Please note the ocean freight was incurred and charged to DAEHAN in Korean Won (KRW), and thus reported on a KRW basis.*

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

Answer:

*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?

Answer:

*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.

Answer:

*Not applicable. No sales commissions were paid for any sales of GUC.*

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?

Answer:

*Not applicable. No value-added taxes are paid on the export sales of the goods, while domestic sales are separately measured net of VAT in accounting ledger and sales system, which are also reported net of VAT.*

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

Answer:

*For the domestic sales of like goods, the following direct selling expenses were incurred during the review period.*

*(1) Inventory carrying cost (imputed cost)*

*As described at Section D-1, the domestic sales are normally made from inventory whereas the export sales are from order production. Therefore, the opportunity cost from the time of final production to the domestic sales (i.e., shipment date from factory which has been reported as invoice date) should be treated in the same manner with the imputed credit costs. DAEHAN reports its inventory carrying costs in the field "Other Expenses (inventory carrying cost)" using actual inventory information.*

$$\text{Inventory Carrying Cost} = \text{Unit CTM} *$$

$$\text{Average Inventory Carrying Period} / 365 * \text{Short-term Rate (KRW)} * Q'ty \text{ sold}$$

*The calculation worksheet showing the average inventory carrying period is provided in Attachment E-4.3(1).*

*(2) Technical support expense*

*The technical support expenses incurred for domestic sales of like goods are reported in the field "Technical Support". To promote DBIC sales in domestic market, DAEHAN provided the technical support such as technical service, repair as well as consultation to specific customers who purchased DBIC products how to handle or process those products. A calculation worksheet is provided in Attachment E-4.3(2).*

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

Answer:

*The remittance fees are reported in the field “Other Expense (Bank Fee)” in [REDACTED], which were incurred [REDACTED] per a remittance for the sales of L/C basis. Those bank fees have been reported on a transaction-specific basis, and sample calculation has been included in Attachment B-3.*

## 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.

Answer:

*With respect to model matching according to MCC structure mandated by the Questionnaire, an export MCC “P-C-C-C-N” has no identical MCC sold on the domestic market during the review period. In accordance with the Commission’s practice in the previous review, the surrogate price of the most similar model sold in the ordinary course of trade on the domestic market will be used to compare with the export price.*

*The most similar MCC will be “P-C-C-B-C-N” in the domestic sales according to the model matching hierarchy that MCC structure provides, and a proper adjustment for the price difference caused by the physical characteristic difference should be made. In other words, unit price variance between “B” and “C” in MCC category of nominal diameter should be adjusted based on the standard price list for the domestic market as provided at Attachment D-1.3. As identified at the price list, the thicker the diameter is, the lower the price becomes, and the unit price variance between “B” and “C” can be reasonably quantified at [REDACTED] KRW/MT. Therefore, in order to ensure fair comparison, the price variance of [REDACTED] KRW/MT should be considered in a consistent manner with the previous review*



## 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.

Answer:

*Not applicable. There is no difference in the sales process among export markets.*

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.

Answer:

*Not applicable. For the sales of GUC, there were no third country customers related to DAEHAN during the review period. For the sales through [REDACTED], the sales to unrelated customers of Singapore branch are reported in the response.*

3. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
  - (a) What date are you claiming as the date of sale?
  - (b) Why does this date best reflect the material terms of sale?

Answer:

*The invoice date is used as the date of sale in this response. Even though DAEHAN provides Section F response for the Commission's reference, please note DAEHAN's domestic market is viable enough to be compared with Australian market.*

### 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.

Answer:

*The requested information is provided in Attachment F-2.*

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

Answer:

*The requested information is provided in Attachment F-2.2.*

### 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.

Answer:

*The terms of sales may vary on a transaction-to-transaction basis, which also may affect their comparison to export sales to Australia.*

## SECTION G

### COST TO MAKE AND SELL

#### G-1. Production process

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

Answer:

*The goods under consideration were produced at DAEHAN's three production facilities – (i) Shinpyeong Plant, (ii) Noksan Plant and, (iii) Pyeongtaek Plant.*

*A flowchart of the production process for the products produced at three plants during the review period is provided in Attachment G-1.1.*

*As the chart shows, both the GUC and non-GUC are produced at these three facilities. The following is a brief description of each of the production lines through which the GUC passes, depending on the final product being produced.*



*Please also note, as normal in the steel industry, [REDACTED] is generated in the manufacture of the GUC and non-GUC while used as raw material.*

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.

Answer:

*During the review period, DAEHAN purchased [REDACTED], a major raw material, from [REDACTED] related companies - [REDACTED] and [REDACTED]. The details of purchases of major raw material are included at "G-7. Major Raw Material Costs". Besides, [REDACTED] also provided the [REDACTED] to DAEHAN during the review period.*

#### G-2. Cost accounting practices

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

Answer:

*DAEHAN's SAP cost accounting system is a standard cost based system in that the SAP structure mandates that companies develop standard costs for product manufactured. DAEHAN utilizes these standard costs for budget and planning purposes and to evaluate results during the month (when necessary), and calculates actual costs at month's end. In other words, DAEHAN has adopted the actual cost accounting method for all products produced.*

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.

Answer:

*DAEHAN calculates actual costs and adjusts the standard cost for the difference between the standard and actual costs at month-end closing. Therefore, DAEHAN has used the actual costs recorded in its normal cost accounting system as the basis of the reported costs for the response purpose.*

*Each inventory code has a standard cost and the variances (purchase price and cost variances) are calculated by production order, accumulated and tracked through the production process by inventory code.*

*The actual cost of raw materials is the actual input quantity times the standard price during the month, adjusted for the purchase price variance at the end of the month.*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

*(a) allocating the common and indirect costs to the direct cost centres as summarized in*

*Attachment G-2.2(1),*

*(b) summing the costs charged directly to the cost centres and those allocated (from point a) and splitting them into [REDACTED],*

*(c) calculating the unit activity cost by dividing the total actual [REDACTED] costs for each activity by the actual processing time or appropriate basis for each process; and*

*(d) allocating the actual fabrication costs to individual production orders by multiplying the actual processing time or appropriate basis for the production order by the unit activity cost. The difference between the standard and actual cost by production order are summed, allocated to the material codes within the process on the basis of input quantities, and tracked through production. The methodologies used to allocate the costs incurred in these centres to the direct cost centres are summarized in Attachment G-2.2(2). During the review period, there were no significant or unusual cost variances.*

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.

*Answer:*

*Please refer to DAEHAN's response to question G-2-2 above with the related Attachments G-2.2(1) and G-2.2(2).*

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

*Answer:*

*As explained the response to question G-2-2, DAEHAN's cost accounting system records its production cost by inventory (material) code level. Inventory codes contain the information of item type, product group, steel grade, nominal size, and item's attribute. Description of DAEHAN's material item code is provided in Attachment C-3.*

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

*Answer:*

*Not applicable. There were no costs for management accounting purposes valued differently to financial accounting purposes during the review period.*

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.

*Answer:*

*Not applicable. DAEHAN did not engaged in any start-up operations in relation to the GUC during the review period.*

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

Answer:

*All relevant practices pertaining to DAEHAN's inventory valuation methodologies are detailed in the notes to the audited financial statements submitted in this response.*

*Inventories are measured at the lower of cost and net realizable value. Costs are determined by using the moving average method. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. When inventories are sold, the carrying amount of those inventories is recognized as cost of goods sold in the period in which the related revenue is recognized. Inventories are measured at the lower of cost and net realizable value. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realizable value is recognized as a reduction in the amount of inventories recognized as a cost of goods sold in the period in which the reversal occurs.*

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

Answer:

*Damaged or sub-standard goods are valued and recorded at the [REDACTED], if any.*

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

Answer:

*The treatment of scrap in cost accounting is to recognize the [REDACTED]*

*[REDACTED]*

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

Answer:

*Not applicable. There were no management fees/corporate allocations charged to DAEHAN by related company during the review period.*

### **G-3 Cost to make on domestic market**

1. Complete the worksheet named "G-3 Domestic CTM".

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

Answer:

*The requested worksheet is provided in Attachment G-3.*

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

Answer:

*The requested worksheet is provided in Attachment G-3.2.*

## G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
  - This worksheet lists all selling, general and administration expenses by account code for the most recent accounting period and the period.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Answer:

*The requested worksheet is provided in Attachment G-4.1.*

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.

Answer:

*The requested worksheet is provided in Attachment G-4.2.*

## 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.

Answer:

*The requested worksheet is provided in Attachment G-5.*

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

Answer:

*The requested worksheet is provided in Attachment G-5.2.*

## G-6 Cost allocation methodology

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

Answer:

*Please refer to DAEHAN's responses to question G-2 (cost accounting practice) with the relevant Appendices. Please also note that DAEHAN's cost accounting system captures the production cost by cost elements on an inventory code level in the normal course of business, which is used to prepare the response.*

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.

Answer:

*The requested information showing the reported cost is provided in Attachment G-6.2.*

## G-7 Major raw material costs

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

Answer:

*As explained at G-1 (production process), '██████████' is used as the major raw materials for production of the goods under consideration.*

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.

**Answer:**

*As explained at G-1 (production process), ' [REDACTED] is used as the major raw material for production of the goods under consideration. Inherently, the [REDACTED] is not [REDACTED]*

*As also described at G-1 (production process), the [REDACTED] produce a semi-product [REDACTED] is consumed to produce the GUC (i.e., DBIL or DBIC) in the next process. Therefore, DAEHAN provides the actual production cost of the previous process (i.e., cost of XXXXX as a semi-product) in Attachment G-7.2 (Raw material CTM) as per the questionnaire's request.*

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

**Answer:**

*DAEHAN employs a process cost accounting system in the normal course of business for product costing, which is integral part of DAEHAN's accounting system used to prepare the financial statements.*

*Under the process cost accounting system, DAEHAN calculates its production costs on an accumulative basis. That is, the cost of each production process absorbs the cost of output of the previous process as incurred by adding it to the production cost in the current process. The output cost of the current process, in turn, passes through the next process in the same way.*

*For example, COM (cost of manufacture, the same term with "CTM") of the rolling process (where the GUC is produced) captures the cost of steel making process (i.e., the output of the previous process) as a raw material cost (i.e., cost of a semi-product), while COM of the steel making process captures the cost of [REDACTED] as a raw material cost using the moving-average method – based on the weighted-average of (1) unit cost of beginning inventory, and (2) the*

*unit cost of inventory purchased or produced (plus other transfers-in) during the particular month.*

*Therefore, DAEHAN provides the requested average percentage showing the proportions of each production process cost at Attachment G-7.3.*

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.

*Answer:*

*The requested information – the purchase list of [REDACTED] is provided in Attachment G-7.4.*

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

*Answer:*

*The source of the data is SAP ERP system (MM module).*

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

*Answer:*

*The requested information is provided in Attachment G-7.6.*

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.

*Answer:*

*As explained at G-1.2, there were purchases of [REDACTED] from the related suppliers – [REDACTED] and [REDACTED], which is contained in Attachment G-7.4. Since the raw material is just a [REDACTED], there was no difference on the price settling policy depending on relationship during the review period. The purchase prices were determined depending on the [REDACTED] market price considering period (timing), region, or types etc. Also, it should be noted that, for the procurement of [REDACTED], both related suppliers [REDACTED]*

*Moreover, the raw material purchases from the related suppliers represents only a small proportion of the total manufacturing cost as shown in Attachment G-7.7, which means those purchases from the related suppliers do not have any significant impact on manufacturing cost.*

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

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

*Answer:*

*The requested information is provided in Attachment G-8.*

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.

*Answer:*

*The requested information is provided in Attachment G-8.*

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; and
  - provide the account number and sub-account number (if applicable) at column E of the worksheet.

*Answer:*

*The requested information is provided in Attachment G-8.*

## **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.

*Answer:*

*The requested information is provided in Attachment G-9.*

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

*Answer:*

*The requested information is provided in Attachment G-9.*

## G-10 Production of the goods under consideration

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

Answer:

*The production quantities are captured on an inventory-specific level, which have been summarized for the response purpose.*

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

Answer:

*The production quantities are kept in SAP ERP system on an inventory-specific level with the cost of manufacture. Those production information is maintained on a plant basis.*

3. Briefly explain the reasons for any differences between:
  - (a) the production quantities reported at worksheet "G-3 domestic CTM" and the sales volumes reported at worksheet "D-2 domestic sales"; and
  - (b) the production quantities reported at worksheet "G-5 Australian CTM" and the sales volumes reported at worksheet "D-2 domestic sales".

Answer:

*The main reason causing difference between the production quantities and the sales volumes is due to the [REDACTED]. In other words, [REDACTED]*

*[REDACTED]*

4. Do you have warehousing facilities for the goods exported to Australia or sold domestically? If no, what do you do with excess inventory? If yes, please outline:
  - (a) the volume capacity of these facilities;
  - (b) the monthly amount of inventory maintained during the period; and
  - (c) the average period of time that inventory is retained, and how this is calculated.

Answer:

*As described at D-1 and E-4, the domestic sales are normally made from inventory area [REDACTED]. The calculation worksheet of average inventory carrying period has been provided at Attachment E-4.3(1). On the other hand, for the export sales, the products are immediately trucked on for exportation by container, and stored at the container yard in the loading port. Please note, as identified at Attachment B-3 (sample documentation for the Australian exports), those storing expenses are charged to DAEHAN included in the freight invoice, which have been reported as a direct selling expense for Australian export sales.*