



Australian Government
Department of Industry, Science,
Energy and Resources

Anti-Dumping Commission



Exporter Questionnaire

Case number: 600

Product: Steel reinforcing bar

From: Republic of Korea

Review period: January 2021 to 31 December 2021
(the period)

Response due by: Wednesday, 6 April 2022

Email enquiries to: Investigations2@adcommission.gov.au

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

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

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INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the commission) has received an application for an accelerated review for steel reinforcing bar exported to Australia from the Republic of Korea by Dongkuk Steel Mill Co., Ltd.

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 the reinforcing bar is dumped.

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

If you do not manufacture the goods

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

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

What happens if you do not respond to this questionnaire?

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

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

Extension requests

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

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

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

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

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

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

Submitting a response to the exporter questionnaire

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

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

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

Confidential and non-confidential responses

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

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

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 requested to resubmit your response with the required level of detail or, if deadlines have passed, the commission may not have regard to it.

Verification of the information that you supply

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

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

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The verification may include Commission staff visiting your company to conduct on onsite verification¹. Any onsite verification typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with the planning of a verification, please contact the commission as soon as possible for a potential verification date to be scheduled.

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

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

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

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

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

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

Important instructions for preparing your response

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

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

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- If you cannot present electronic data in the requested format contact the commission as soon as possible.
- Where possible, electronic data should be shared with the commission via SIGBOX, a secure online document repository. Please contact the commission to request access to SIGBOX if required.

CHECKLIST

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

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

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	✓
B-4 Upwards sales	✓
B-5 Upwards selling expenses	✓
D-2 Domestic sales	✓
F-2 Third country sales	✓
G-3 Domestic CTM	✓
G-4.1 SG&A listing	✓

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G-4.2 Dom SG&A calculation	✓
G-5 Australian CTM	✓
G-7.2 Raw material CTM	N/A
G-7.4 Raw material purchases	✓
G-8 Upwards costs	✓

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 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*:²

Tariff Subheading	Statistical Code	Description
7213		BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF IRON OR NON-ALLOY STEEL
7213.10.00	42	Containing indentations, ribs, grooves or other deformations produced during the rolling process
7214		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
7214.20.00	47	Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling
7227		BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF OTHER ALLOY STEEL
7227.90		Other
7227.90.10	69	Goods, as follows: <ul style="list-style-type: none"> a. of high alloy steel; b. "flattened circles" and "modified rectangles" as defined in Note 1(l) to Chapter 72

² 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.

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Tariff Subheading	Statistical Code	Description
7227.90.90	01	<i>Containing indentations, ribs, grooves or other deformations produced during the rolling process</i>
	02	<i>Of circular cross-section measuring less than 14 mm in diameter</i>
	04	<i>Other</i>
7228	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	
7228.30	Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded	
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 and 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		

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Item	Category	Sub-category	Identifier	Sales Data	Cost Data
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		
		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 match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade by comparing domestic selling prices to the corresponding cost to make and sell. The MCC

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may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

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

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name:	Kwangbum Park
Position in the company:	Senior Manager of the Trade Affairs Team
Telephone:	[CONFIDENTIAL TEXT DELETED]
E-mail address:	[CONFIDENTIAL TEXT DELETED]

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

Name:	Charles Zhan
Address:	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport ACT 2609
Telephone:	+61 2 6163 1000
E-mail address:	charles.zhan@moulislegal.com

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

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

The respondent to this questionnaire, Dongkuk Steel Mill Co., Ltd. (hereafter 'Dongkuk Steel'), has its headquarters situated in Seoul, Korea. The full address for its head office is Ferrum Tower, 19 Uljiro 5-Gil, Jung-gu, Seoul, Korea.

Dongkuk Steel's financial management and accounting, planning, and other executive management functions are located at the Seoul headquarters, along with its export and domestic sales teams.

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

Dongkuk Steel's production records are accessible from its headquarters in Seoul as well as its factories in Korea.

Dongkuk Steel provides a full list of Dongkuk Steel's offices, facilities, and factories in Korea at Exhibit A-1.4. [CONFIDENTIAL ATTACHMENT]

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

During the period of review ('POR'), Dongkuk Steel produced the goods under consideration ('GUC') at its Pohang and Incheon factories, which are respectively located at:

- **195, Cheolgangsandan-ro, Daesong-myeon, Nam-gu, Pohang-si, Gyeongsangbuk-do, Korea; and**
- **15, Jungbong Daero, Dong-gu, Incheon, Korea.**

The Incheon factory produces rebars only in straight form, while the Pohang factory produces rebars in both coil form and straight form.

Dongkuk Steel notes all rebar exports to Australia during the POR were coiled rebars produced at the Pohang factory.

A-2 Company information

1. What is the legal name of your business?

The legal name is Dongkuk Steel Mill Co., Ltd. Dongkuk Steel was incorporated on July 7, 1954, under the Commercial Code of the Republic of Korea.

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

Dongkuk Steel trades as "Dongkuk Steel". Dongkuk Steel's products are traded with a range of product-specific proprietary brands, for example, DKOIL for coiled rebars. Please refer to Exhibit A-2.2.(1) and Exhibit A-2.2.(2) respectively for the Hot-Rolled products catalogue (including rebars) and the coiled rebar catalogue.

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

On January 1, 2015, Dongkuk Steel merged with its affiliated company Union Steel Co., Ltd. Union Steel was a producer of cold-rolled steel products which do not fall under the GUC and had traded under the name of "Union Steel". As Union Steel merged into Dongkuk Steel, Union Steel's operations were absorbed into Dongkuk Steel's operations, and the usage of the name "Union Steel" was subsequently discontinued.

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

Dongkuk Steel provides the list of its board of directors in the last two years in Exhibit A-2.4. [CONFIDENTIAL ATTACHMENT]

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

(a) A diagram showing the complete ownership structure and

(b) A list of all related companies and its functions.

Dongkuk Steel is not a subsidiary of any other company and has no parent company. Dongkuk Steel is a member of Dongkuk Steel Group which is not a separate legal entity, but a group of manufacturing and transportation companies that share some common ownership interests.

Dongkuk Steel provides the following information to assist the Commission's understanding of the Dongkuk Steel Group:

- Exhibit A-2.5.(1) - List of affiliated companies and their functions [CONFIDENTIAL ATTACHMENT]
- Exhibit A-2.5.(2) - Chart of Cross-Ownership among Dongkuk Steel Group companies [CONFIDENTIAL ATTACHMENT]

6. Is your company or parent company publicly listed?

If yes, please provide:

- (a) The stock exchange where it is listed and
- (b) Any principle shareholders³

If no, please provide:

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

Dongkuk Steel is a publicly-traded company whose shares have been listed on the Korean Stock Exchange since April 1988.

As of 31 December 2021 the principal shareholders of Dongkuk Steel are:

- Sae Joo Chang (13.9%)
- Sae Wook Chang (9.4%)
- JFE Steel International Europe (8.7%)
- National Pension Service (7.0%)

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

Dongkuk Steel produces and sells a diverse range of steel products such as sections, plates, cold-rolled steel products, and various kinds of bars including reinforcing bars (GUC). These products are sold in both the domestic and export market, including Australia. Dongkuk Steel provides its company brochure to explain the business and the products produced in Exhibit A-2.7.

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:

³ Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

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- (a) produce or manufacture
- (b) sell in the domestic market
- (c) export to Australia and
- (d) export to countries other than Australia.

Dongkuk Steel performed all of the functions listed above.

9. Provide your company's internal organisation chart.

Dongkuk Steel provides its internal organization chart in Exhibit A-2.9 [CONFIDENTIAL ATTACHMENT] in which Dongkuk Steel has highlighted the sections directly involved in the sales and production of GUC.

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

Dongkuk Steel organizes its operations into three functional departments under the chairman and vice-chairman: the Financial Office, Business Management Office, and Technology Office. Under the president, there are nine separate structures: the Strategy Office, Hot-Rolled Steel Sales Office, Cold-Rolled Steel Sales Office, Marketing Office, Purchasing Office, Incheon Works, Pohang Works, Dangjin Works, and Busan Works. Please refer to Exhibit A-2.9 for a detailed group chart and their functions [CONFIDENTIAL ATTACHMENT]. Groups and functions related to the GUC have been highlighted for ease of reference.

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

Please see the company and product brochures as provided in Exhibits A-2.2.(1), A-2.2.(2) and A-2.7.

A-3 General accounting information

1. What is your financial accounting period?

Dongkuk Steel's accounting fiscal year is based on the calendar year, which is January 1 to December 31.

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

As an independent auditor, PWC Samil Accounting Firm has audited Dongkuk Steel's financial accounts.

3. What currency are your accounts kept in?

Dongkuk Steel's functional and presentation currency is the Korean Won. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign currency asset and liability balances are translated into the functional currency using the exchange rate prevailing at the date of financial statement closing. Foreign exchange gains and losses resulting from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses related to borrowings, cash and cash equivalents are presented in the income statement under 'financial income (expenses)'. All other foreign exchange gains and losses are presented in the income statement under 'other operating income (expenses)'.

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

Dongkuk Steel uses an integrated enterprise resource planning ("ERP") software package developed by the German software company, SAP AG, ie. the SAP ERP system ("the SAP system"). The SAP system is composed of several subsidiary modules which handle various functions. Among them, the SAP Financial Accounting ("FI") module of the SAP system handles the financial accounting function and provides various accounting reports. Dongkuk Steel provides in Exhibit A-3.4. a conceptual flowchart illustrating Dongkuk Steel's financial accounting and record-keeping system. [CONFIDENTIAL ATTACHMENT]

5. What is the name of your sales system?

Dongkuk Steel's uses the Order Management System ('OMS') module of the SAP system as its sales system.

Since the OMS is integrated as a part of the SAP Sales and Distribution ("SD") module, order information from OMS is automatically transferred to the SAP System. That is, all confirmed sales orders are recorded in Dongkuk Steel's OMS and SAP systems.

6. What is the name of your production system?

Dongkuk Steel uses Manufacturing Execution Systems ("MES"), which is linked to the SAP Production & Product module, for production control. MES is a computerized system used in manufacturing to track and document the transformation of raw materials into finished goods.

Dongkuk Steel records manufacturing costs for the GUC using its SAP system, which calculates manufacturing costs for each production order. The cost accounting system is an integral part of Dongkuk Steel's financial accounting system ("SAP"). Dongkuk Steel provides a flowchart of the cost accounting system in Exhibit A-3.6. [CONFIDENTIAL ATTACHMENT]

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

This question is not applicable. As explained above, the systems for production, sales and financial accounting are all part of the integrated SAP ERP system.

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

Dongkuk Steel's financial accounting practices are in accordance with the Korean International Financial Reporting Standards ("K-IFRS") for publicly listed companies. A description of Dongkuk Steel's normal corporate accounting practices is provided in the notes to its financial statements.

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

There have been some changes to the K-IFRS. These are described in Note 2 of Dongkuk Steel's 2020 and 2021 financial statements (page 17 of both).

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.

Dongkuk Steel provides its two most recent unconsolidated annual reports and their English translations as outlined below:

A-4.1.1	Dongkuk Steel 2021 Unconsolidated Audited F/S (in Korean)
A-4.1.2	Dongkuk Steel 2021 Unconsolidated Audited F/S (in English)
A-4.1.3	Dongkuk Steel 2020 Unconsolidated Audited F/S (in Korean)
A-4.1.4	Dongkuk Steel 2020 Unconsolidated Audited F/S (in English)

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

The audit management letters can be found at page 3 of both the 2021 and 2020 financial reports.

3. If the financial statements in A-4.1 are unaudited, provide for each company:

(a) the tax returns relating to the same period and

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- (b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

Not applicable, in that the statements provided in A-4.1 above are audited.

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

Dongkuk Steel's financial accounting system can generate internal reports based on the business area. Dongkuk Steel provides copies of internal income statements by business area in Exhibit A-4.4. [CONFIDENTIAL ATTACHMENT]

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

As the POR is identical to the financial year, this question is not applicable.

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

Dongkuk Steel provides its trial balance in Exhibit A-4.6. [CONFIDENTIAL ATTACHMENT]

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

Dongkuk Steel provides its chart of accounts in Exhibit A-4.7. [CONFIDENTIAL ATTACHMENT]

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

SECTION B EXPORT SALES TO AUSTRALIA

B-1 Australian export sales process

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

Dongkuk Steel's Australian sales of the GUC can be broadly categorised into two channels based on the physical location of customers.

The first channel involves Dongkuk Steel selling directly to customers based in Australia. For such sales, the Australian customers place a purchase order following negotiations with Dongkuk Steel's export sales personnel. The order is entered into Dongkuk Steel's sales management system. Dongkuk Steel's sales staff then prepare an internal order sheet for production at the Pohang factory. The Pohang factory adds the order sheet into its production schedule. Once production is completed, Dongkuk Steel arranges for the goods to be shipped to the designated location according to delivery terms. Dongkuk Steel then proceeds to issue the commercial invoice to the Australian customer, and payment is collected through a letter of credit.

The second involves Dongkuk Steel exporting the GUC to Australia through sales to a trading company located in Korea. For local trader exports, Dongkuk Steel receives purchase orders from the Korean trading company, rather than from the Australian customers directly. Except this, the sales process is identical to that of the direct export sales. Once the production is completed, Dongkuk Steel then issues a VAT invoice to the Korean trading company, but with the VAT amount stated as "zero", reflecting the export nature of such sales.

[CONFIDENTIAL TEXT DELETED – explanation of sales practices concerning level of trade].

All of the Australian sales of the GUC during the review period were paid by Dongkuk Steel's customers via a letter of credit and the payments were collected by Dongkuk Steel by way of clearing those L/C with the relevant banks.

**Dongkuk Steel provides the diagram of the sales process in Exhibit B-1.1.
[CONFIDENTIAL ATTACHMENT]**

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:

PUBLIC RECORD

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

During the review period Dongkuk Steel's Australian sales were based on [CONFIDENTIAL TEXT DELETED – currency]. Payments were made into Dongkuk Steel's [CONFIDENTIAL TEXT DELETED – bank details]. Further examples can be seen from sample documents provided under B-3.1 below.

[CONFIDENTIAL TEXT DELETED – comment on use of forward contracts]

Dongkuk Steel's accounting record recognises the sales value by way of converting the [CONFIDENTIAL TEXT DELETED – currency] sales value into Korean Won using the daily exchange rate issued by the Bank of Korea. Dongkuk Steel updates the daily exchange rates every month, on the last business day of the month. Any difference between the sales recorded value and the payment arising from the conversion rate is recorded as gain or loss on foreign currency exchange transactions.

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

No.

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

[CONFIDENTIAL TEXT DELETED – pricing practice].

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

[CONFIDENTIAL TEXT DELETED – pricing practices regarding distribution channel].

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

[CONFIDENTIAL TEXT DELETED – discounts or rebates practice].

- 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.

[CONFIDENTIAL TEXT DELETED – credit or debit note practice].

8. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. 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?

Dongkuk Steel generates a “billing document” in the SAP system when the shipment is completed at the exportation port or Dongkuk Steel’s plant. The billing date is used as the accounting sale date in Dongkuk Steel’s SAP system. Thus, Dongkuk Steel reports its billing date (as well as accounting sales date) as the date of sale in B-2 Australian Sales.

The invoice date on the commercial invoice or tax invoice reflects the date on which the invoice was prepared, so it does not necessarily reflect the actual invoice issuance date or the delivery status of the sales. However, the gap between the invoice date and shipment date is generally within a couple of days. Generally, a commercial invoice is prepared a few days prior to shipment.

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*.⁴
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

**Please see B-2 Australian sales within the attached EQR Spreadsheet.
[CONFIDENTIAL ATTACHMENT]**

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”.

⁴ Refer to ADN No. 2019/089 following exemption inquiries EX0070, EX0071 and EX0072.

Dongkuk Steel provides a table listing the source of the data for each column in the “B-2 Australian Sales” as part of the attached EQR Spreadsheet. [CONFIDENTIAL ATTACHMENT]

B-3 Sample export documents

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

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

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

Dongkuk Steel provides the supporting documents for the two largest samples in export sales to Australia in Exhibit B-3.1.(1) and B-3.1.(2). [CONFIDENTIAL ATTACHMENTS]

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

Dongkuk Steel provides worksheets reconciling “B-2 Australian Sales” to the above source documents in Exhibit B-3.2. [CONFIDENTIAL ATTACHMENT]

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.

- You must provide this list in electronic format using the template provided.
- Please use the currency that your accounts are kept in.
- If you have used formulas to complete this worksheet, these formulas must be retained.

Please see B-4 Upwards sales within the attached EQR Worksheet. [CONFIDENTIAL ATTACHMENT]

PUBLIC RECORD

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

Dongkuk Steel provides the documents to support the methodology of “B-4 Upward sales” in Exhibit B-4.2.(1) and Exhibit B-4.2.(2). [CONFIDENTIAL ATTACHMENTS]

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.

Dongkuk Steel provides the source document name and relevant account code in each column of the “B-4 Upwards sales” worksheet. [CONFIDENTIAL ATTACHMENT]

B-5 Reconciliation of direct selling expenses to financial accounts

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

Dongkuk Steel provides the “B-5 Upwards selling expense” worksheet. [CONFIDENTIAL ATTACHMENT]

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.

Dongkuk Steel provides the supporting documents used to complete “B-5 Upwards selling expense” in Exhibit B-5.2. [CONFIDENTIAL ATTACHMENT]

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

Dongkuk Steel provides the source document name and relevant account code in each column of the “B-5 Upwards selling expenses” worksheet. [CONFIDENTIAL ATTACHMENT]

SECTION C EXPORTED GOODS AND LIKE GOODS

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

C-1 Models exported to Australia

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

Dongkuk Steel exported rebar in coil form to Australia during the POR.

Dongkuk Steel provides in Exhibit C-1.1 a relevant description for the GUC exported to Australia. [CONFIDENTIAL ATTACHMENT]

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

Dongkuk Steel's Australian sales of the GUC can be identified by the following MCCs:

- P-C-C-B-C-N
- P-C-C-A-C-N

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.

Dongkuk Steel sold reinforcing bars in both coil form and "straight" form on the domestic market during the POR.

With respect to rebar in coil form, Dongkuk Steel sold products identical to the goods exported to Australia in the domestic market during the POR.

The domestic products are alike in all respects to the goods under consideration exported to Australia, in that they are:

- not distinguished from the GUC exported to Australia during production (the exported goods and goods sold on the domestic market are produced in the same way);
- produced at the same facility (Pohang factory), using the same raw material inputs and manufacturing processes;

- identified as having the same product codes (with the exception of a small volume of domestic products identified as a slight variant model) in the normal course of business of Dongkuk Steel; and
- can be considered functionally alike, as they have similar end-uses

Dongkuk Steel provides in Exhibit C-2.1 a relevant description for the goods sold in the domestic market. [CONFIDENTIAL ATTACHMENT]

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.

Dongkuk Steel provides a list of MCCs for the goods sold on the domestic market at Exhibit C-2.2.

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.

Dongkuk Steel maintains its internal product code which assigns a twelve-digit product code to the rebar products. Dongkuk Steel provides in Exhibit C-3 a copy of the key to the product codes, which are assigned to the goods in the normal course of business. Dongkuk Steel's internal product codes are used in the sales, production, and cost accounting of its SAP system. [CONFIDENTIAL ATTACHMENT]

SECTION D DOMESTIC SALES

If your company did not sell like goods on the domestic market during the review period, please contact the commission as soon as possible. You may be required to complete this section (and G-3) as it relates to export sales to third countries. 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.

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

Dongkuk Steel's domestic customers normally access Dongkuk Steel's sales system directly and transmit a draft of the order sheet through the OMS module. Dongkuk Steel's sales staff review and approve the order, and transmit it to the factory. Some customers place orders verbally, or via e-mail. Dongkuk Steel does not issue written order confirmations to domestic customers. Instead, all confirmed sales orders are recorded in Dongkuk Steel's OMS and SAP systems, and customers can check the status of their orders by accessing Dongkuk Steel's order system themselves.

Once the orders are confirmed, Dongkuk's sales staff prepares an internal order sheet for production, which is sent to the relevant Dongkuk Steel factories. The factory then puts the order through to its production schedule.

[CONFIDENTIAL TEXT DELETED – order fulfilment process]. At the time of shipment and billing, all sales terms, quantity, and selling prices are finalized, and the shipping department at factories prepares a shipping note for the individual transaction. At the same time, Dongkuk Steel's SAP generates an internal billing document and records sales in its sales module as well as its accounting module.

In accordance with the Korean Value Added Tax Law, the tax invoice may be generated and sent to the customer on a shipment-by-shipment basis, every two weeks (for all shipments during the two-week period), or at the end of the month (for all shipments during the month), depending on the customer's preference.

For domestic customers, Dongkuk Steel [CONFIDENTIAL TEXT DELETED – commercial arrangement regarding payment terms]., which is normal business practice in Korea and the domestic market. Customers pay the tax invoice values in a full, single payment or by multiple payments. Payments are made through bank transfers or promissory note.

PUBLIC RECORD

Detailed charts illustrating the sales process for domestic sales are provided in Exhibit D-1.1. [CONFIDENTIAL ATTACHMENT]

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

No. Dongkuk Steel did not sell like goods to related customers in the domestic market during the POR.

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

[CONFIDENTIAL TEXT DELETED – pricing practice].

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

[CONFIDENTIAL TEXT DELETED – distribution channel related pricing practices].

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

[CONFIDENTIAL TEXT DELETED – discount or rebates practice].

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

[CONFIDENTIAL TEXT DELETED – credit or debit note practice].

7. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. 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?

For domestic sales, Dongkuk Steel relies on the “billing invoices” as the date of sales. This is the same date as shipment and the accounting record. Accordingly, the billing invoice date is reported as the date of sale. As mentioned above, for domestic markets, the commercial practice is to issue tax invoices at the end of month or on a per-fortnight basis. As such, the date of tax invoices does not always reflect the date of sales.

D-2 Domestic sales listing

1. Complete the worksheet named “D-2 Domestic sales”

PUBLIC RECORD

- 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.

Dongkuk Steel provides the “D-2 Domestic Sales” worksheet in the attached EQR Spreadsheet in accordance with the instructions. [CONFIDENTIAL ATTACHMENT]

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

Dongkuk Steel provides the description on each column and the source of data in Exhibit D-2.2 in the attached EQR Spreadsheet. [CONFIDENTIAL ATTACHMENT]

D-3 Sample domestic sales documents

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

Dongkuk Steel provides two sample transactions with largest value in the domestic sales in Exhibits D-3.1.(1) and D-3.1.(2). [CONFIDENTIAL ATTACHMENTS]

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

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

Dongkuk Steel provides the worksheets to show how it links to “D-2 Domestic Sales” for two largest samples in Exhibit D-3.2. [CONFIDENTIAL ATTACHMENT]

D-4 Reconciliation of sales to financial accounts

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

PUBLIC RECORD

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.

Please see B-4 Upward sales provided above. [CONFIDENTIAL ATTACHMENT]

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

Please see B-4 Upward sales provided above. [CONFIDENTIAL ATTACHMENT]

Dongkuk Steel provides the supporting documents to show the sales reconciliation for the domestic market in Exhibit D-4.2. [CONFIDENTIAL ATTACHMENT]

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

Please see Exhibit B-4 Upward sales provided above. [CONFIDENTIAL ATTACHMENT]

SECTION E DUE ALLOWANCE

E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
 - (a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
 - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
 - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover
 - (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?
 - (c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?

Dongkuk Steel generally [CONFIDENTIAL TEXT DELETED – credit practice]. Dongkuk Steel’s computer system SAP can trace the actual payment receipt date, regardless of whether the payment was made in cash or by the promissory note. Dongkuk Steel has reported the payment term on a transaction basis by calculating the days from the date of the sales to the actual payment date.

Dongkuk Steel reported the payment date based on the following methods.

Firstly, where Dongkuk Steel received a single payment in the full amount, Dongkuk Steel reported the actual payment date. Secondly, for invoices paid in multiple instalments, Dongkuk Steel reported the weighted average of the payment dates. Thirdly, in relation to domestic sales for which payment are not yet received in the full amount as of 30 March, Dongkuk Steel reported the payment date by calculating the weighted average credit period on assumption that the amount due was paid on March 30, 2022. Dongkuk Steel provides in Exhibit E-1.1.(1), a sample worksheet describing how to report payment dates.[CONFIDENTIAL ATTACHMENT]

Dongkuk Steel reported the gap days between date of sale and payment date as payment term in days, and also reported the credit expenses in the field of “Other Expenses-Credit Expense” on a transaction-specific basis using the following formula:

$$\text{Net Invoice Value} * (\text{Payment Date} - \text{Date of Sales}) * \text{Short-term Interest Rate} / 365.$$

The calculation of the credit period for domestic sample sales is also provided in Exhibit E-1.1.(2). [CONFIDENTIAL ATTACHMENT]

Dongkuk Steel calculates the short-term interest rate, denominated in Korean Won, during the concerned period and provides a worksheet to show the short-term interest rate with supporting documents in Exhibit E-1.1.(3). [CONFIDENTIAL ATTACHMENT]

PUBLIC RECORD

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?

[CONFIDENTIAL TEXT DELETED – credit practice in relation to Australian sales]. In any case, for completeness Dongkuk Steel provides the information concerning the actual payment receipt date (being the date L/C are cleared with the issuing bank) as captured by Dongkuk’s SAP system for each transaction.

Dongkuk Steel provides a sample document showing how it reported such payment clearance date for individual sales exported to Australia in Exhibit E-1.2.(1). [CONFIDENTIAL ATTACHMENT]

Dongkuk Steel reports the credit expenses in the field of “Other Expenses-Credit Expense” on a transaction-specific basis using the following formula:

$$\text{Net Invoice Value} * (\text{Payment Date} - \text{Date of Sales}) * \text{Short-term Interest Rate} / 365$$

The calculation of the credit period for sample sales exported to Australia is also provided in Exhibit E-1.2.(2). [CONFIDENTIAL ATTACHMENT]

Dongkuk Steel calculates the short-term interest rate denominated in USD during the concerned period and provides the worksheet to show the short-term interest rate with supporting document in Exhibit E-1.2.(3). [CONFIDENTIAL ATTACHMENT]

E-2 Packaging

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

Dongkuk Steel uses the same packaging method for the rebar sold in the domestic market and for exports to Australia. The packaging involves the use of steel bands or steel rods to tie the rebars together.

Dongkuk Steel has summarized the cost of packaging, which is treated as a component of manufacturing costs in the ordinary course of business, by product code. The packaging cost is included in the manufacturing cost reported in G-3 Domestic CTM. Dongkuk Steel also provides the supporting documents to calculate the weight-average packaging cost by plant and product type such as deformed, threaded and coiled rebar in Exhibit E-2.1. Calculation of Packaging Cost. [CONFIDENTIAL ATTACHMENT]

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

Please see the description above, which applies to both domestic and Australian sales.

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

- (a) Provide details of the differences
- (b) Calculate the weighted average packaging cost for each model sold on the domestic market
- (c) Calculate the weighted average packaging cost for each model exported to Australia

Not applicable, in that there is no difference in packaging between domestic and export sales of the goods to Australia.

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?

Dongkuk Steel's domestic sales were made on a delivered or ex-factory basis. Dongkuk Steel has reported the actual freight costs in the field "Inland Transport" of the D-2 Domestic Sales worksheet. [CONFIDENTIAL ATTACHMENT]

The inland transport service was provided by Dongkuk Steel's affiliated transportation company, Intergis. Intergis provided the freight services by engaging unaffiliated subcontractors. The rates Intergis charged to Dongkuk Steel were [CONFIDENTIAL TEXT DELETED – arms length pricing] to ensure the transactions are at arm's length.

Dongkuk Steel provides in Exhibit E-3.1.(1) [CONFIDENTIAL ATTACHMENT] sample documents demonstrating the calculation of the inland freight expenses from the plant to a designated location. Dongkuk Steel also provides in Exhibit E-3.1.(2) and E-3.1.(3) [CONFIDENTIAL ATTACHMENTS] copies of Dongkuk Steel's inland freight contracts with Intergis as well as the contract between Intergis and the unaffiliated subcontractors that were in effect during the concerned period.

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

PUBLIC RECORD

During the POR, Dongkuk Steel's Australian sales were made [CONFIDENTIAL TEXT DELETED – delivery terms]. Please refer to Exhibit E-3.2. for further details. [CONFIDENTIAL ATTACHMENT]

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

Dongkuk Steel is responsible for the inland transportation from the plant to the port at exportation. Thus Dongkuk Steel reports the inland freight which Dongkuk Steel actually paid on a transaction-specific basis in the "Inland Transport" field of the Australian sales listing.

For inland transport, Dongkuk Steel records the actual inland freight expense by each shipping document based on the contracted freight tariff between the freight company Intergis and Dongkuk Steel. As the affiliated transportation company, Intergis provided the freight services to Dongkuk Steel by engaging unaffiliated subcontractors. The rates Intergis charged to Dongkuk Steel were [CONFIDENTIAL TEXT DELETED – arms length pricing]. Dongkuk Steel provides sample documents demonstrating the calculation of the inland transport in Exhibit E-3.3. [CONFIDENTIAL ATTACHMENT]

Dongkuk Steel already provided in Exhibit E-3.1.(2) and E-3.1.(3) [CONFIDENTIAL ATTACHMENT] copies of. Dongkuk Steel's inland freight contracts with Intergis as well as the contract between Intergis and the unaffiliated subcontractors that were in effect during the concerned period.

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

Dongkuk Steel is responsible for the port handling and other charges corresponding to the shipping terms. Thus Dongkuk Steel reports the charges that Dongkuk Steel actually paid on a transaction-specific basis in the "Handling&Other" field of the Australian sales listing.

Please refer to Exhibit E-3.4 for the calculations and supporting documents. [CONFIDENTIAL ATTACHMENT]

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

Not applicable, in that Dongkuk Steel was not responsible for ocean freight in relation to the Australian sales during the POR.

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

Not applicable, in that Dongkuk Steel was not responsible for marine insurance in relation to the Australian sales during the POR.

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

Not applicable, in that the delivery terms of the Australian sales were not delivered duty paid during the POR.

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.

No. Dongkuk Steel did not pay any sales commissions for domestic sales and export sales to Australia during the investigation period.

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?

There are no such differences that affect the comparison between the prices charged for Australian sales and Dongkuk Steel's domestic sales.

Regarding duty drawbacks for the import of raw materials, Dongkuk Steel has paid import duties when it directly or locally imported the material. In the case of exporting the product produced from input with import duty paid to foreign countries, Dongkuk Steel has claimed a refund of import duty amount for the equivalent usage of the consumed raw materials to Korea Customs Service. However, the amount of such drawbacks is negligible.

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

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

There was no other direct selling expense for domestic sales of like goods during the period.

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

Dongkuk Steel reported the bank charges incurred when it received the payment from its customer. Dongkuk Steel provides the supporting documents to show the bank charge, for a sample in Exhibit E-4.4. [CONFIDENTIAL ATTACHMENT]

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.

Dongkuk Steel has not identified other material adjustments required to ensure a fair comparison between export price and the normal value at this stage.

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.

The sales process for the export sales to the third countries does not differ from the sales process described in B-1.

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

[CONFIDENTIAL TEXT DELETED – commercial arrangement].

3. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

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

Dongkuk Steel uses the date of “billing document” as the date of sales, consistent with its practices in relation to both the Australian and domestic 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, customer and MCC, to third countries of like goods invoiced within the period.
 - While sales may be made in different currencies and on different shipping terms the sales listing also seeks to record an Ex-works value of these sales in your local currency.
 - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Dongkuk Steel provides the “F-2 Third Country Sales” worksheet as part of the attached EQR Spreadsheet in accordance with the instructions. [CONFIDENTIAL ATTACHMENT]

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”.

Dongkuk Steel provides the “F-2.2 third country sales source” worksheet as part of the attached EQR Spreadsheet, a table listing the source of the data for each column in “F-2 Third Country Sales”. [CONFIDENTIAL ATTACHMENT]

F-3 Differences in sales to third countries

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

Dongkuk Steel notes that the Commission has sufficient information relating to Dongkuk Steel’s domestic sales of the like product for normal value calculation purposes. In addition, the sales price may vary according to market conditions and the nature of the customer.

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.

Dongkuk Steel provides the production process with a description of each process in Exhibit G-1.1.(1). [CONFIDENTIAL ATTACHMENT] Dongkuk Steel produces the GUC as well as other products at the Pohang and Incheon factories and provides the list of products produced at the factories in Exhibit G-1.1.(2). [CONFIDENTIAL ATTACHMENT] In addition, Dongkuk Steel provides a list of the scrap that results from the production of the GUC in Exhibit G-1.1.(3). [CONFIDENTIAL ATTACHMENT]

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

[CONFIDENTIAL TEXT DELETED – explanation of sources of supply].

Dongkuk provides the list of affiliated suppliers in Exhibit G-1.2. [CONFIDENTIAL ATTACHMENT]

G-2 Cost accounting practices

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

Dongkuk's cost accounting system is an actual cost based system.

During the review period, Dongkuk recorded manufacturing costs for GUC using the SAP system, which calculates manufacturing costs for each production order. The cost accounting system is an integral part of Dongkuk's financial accounting system used to prepare the company's audited financial statements. Please refer to Exhibit A-3.6 for a flowchart of the cost accounting system. [CONFIDENTIAL ATTACHMENT]

Dongkuk's cost accounting system is structured so that all costs incurred at the manufacturing-works level are recorded as production costs that flow to the cost of sales. Costs incurred in the various corporate departments, including selling departments, corporate administration, business planning, etc., are classified as selling, general, and administrative expenses.

The SAP system records both the actual costs and standard costs for each production order in parallel. Actual costs are calculated at the end of the month and transferred to the financial accounting system as the basis of the cost of goods sold and for inventory valuation.

2. If your company uses standard costs:
 - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 and G-5.1?

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- (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.

As explained in G-2.1 above, Dongkuk Steel uses an actual process cost accounting system. Standard cost is only used during the month and prior to the monthly closing to provide users with real time information. At the end of each month, Dongkuk Steel calculates actual costs for each product, and adjusts the standard cost for the difference between the standard and actual cost. Accordingly, the inventory value for each product represents the actual cost of the product.

For the variances resulting from adjusting the standard cost for the difference between the standard and actual cost, there are two variances in Dongkuk Steel's SAP cost accounting system – the material cost variance and the semi-finished variance. In both cases, the variance is the difference between the standard cost of the product and the actual cost of the product.

Meanwhile, Dongkuk Steel reviews the standard cost periodically as needed and revises it accordingly. The SAP system calculates the standard cost for each material using the bill of materials (“BOM”), the production routing, the planned production quantity, the planned machine hours in each cost centre by each product code, the planned raw material price, and the budget for fixed fabrication costs, etc.

[CONFIDENTIAL TEXT DELETED – detailed explanation of cost accounting practices]

Dongkuk Steel's manufacturing costs are finally recorded as actual cost, and the reported CTM is also based on the actual cost.

- 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.

Dongkuk Steel provides a list of cost centres with descriptions in Exhibit G-2.3. [CONFIDENTIAL ATTACHMENT].

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

In the case of rebar, the inventory value is recorded monthly, by plant, and by product code. Dongkuk Steel values its inventory based on the level of the product coding system by product code.

The sample cost calculation of rebar provided in Exhibit G-2.4 [CONFIDENTIAL ATTACHMENT] demonstrates that Dongkuk Steel's cost accounting system records monthly costs at the level of plant and product code. Thus, Dongkuk Steel's reported costs account for all physical characteristics in the model-match hierarchy and the weighted-average GUC costs reported can be traced directly to Dongkuk's normal cost accounting system.

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

Not applicable. This is because the SAP system calculates actual production costs, which are used as the basis of assigning values to goods sold and the finished goods inventory. Dongkuk Steel's cost accounting system reconciles directly to the financial accounting system.

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

Dongkuk Steel did not engage in start-up operations for GUC during the POR.

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)?

Inventories are stated at the lower of cost and net realizable value. The costs of inventories are determined using the monthly weighted-average method, except for material-in-transit, which is valued using the specific-identification method.

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

Damaged or sub-standard goods are distinguished and classified by Dongkuk Steel's production teams during, or at the end of, production. These goods are sold as product under investigation with differences in quality grade, depending on the nature and extent of the defects.

Because Dongkuk Steel calculates actual cost for each product code along with sales order regardless of quality grade (ie. prime or non-prime products), the same monthly actual unit costs are assigned for the normal and damaged or sub-standard products during the same month within the same product code and sales order.

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

When scrap is generated, it is recorded at the prevailing market prices for the sale of scrap. Scrap is treated nominally as a "by-product" in the normal course of business. The monthly value of scrap generated through production during the month is deducted from manufacturing costs. In Dongkuk's cost accounting system, revenue from scrap that is sold is applied as an offset to costs in the particular production line or process that generated the scrap.

During the steel making and rebar production process, Dongkuk Steel generates two kinds of scrap: steel scrap and metal powder. When steel scrap and metal powder are generated during the production of billet which is the steel making process, it can be reintroduced into the other steel making process. In addition, scraps that are generated from other production processes, such as sections and steel plate, are

transferred to steel making and rebar production process and used as raw material to produce GUC.

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

No.

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.

Dongkuk Steel provides the worksheet named "G-3 Domestic CTM" as part of the attached EQR Spreadsheet, in accordance with the instructions. [CONFIDENTIAL ATTACHMENT]

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".

Dongkuk Steel provides the "G-3.2 domestic CTM source" worksheet as part of the attached EQR Spreadsheet, in accordance with the instructions. [CONFIDENTIAL ATTACHMENT]

G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
- This worksheet lists all selling, general and administration expenses, including finance expenses, by account code for the most recent accounting period and the period.
 - Exclude any SG&A amount in respect of:
 - unrealised foreign exchange gains/loss

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- provision for doubtful debt
- any other income/expense not directly/indirectly related to the manufacture or sale of the goods or like goods
- The SG&A listing should reconcile to the trial balance and/or income statement.
- 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.

Dongkuk Steel provides the "G-4.1. SG&A listing" worksheet as part of the attached EQR Spreadsheet, in accordance with the instructions. [CONFIDENTIAL ATTACHMENT]

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

Dongkuk provides the "G-4.2 Domestic SG&A calculation" worksheet as part of the attached EQR Spreadsheet, in accordance with the instructions. [CONFIDENTIAL ATTACHMENT]

G-5 Cost to make the goods exported to Australia

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

Dongkuk provides the "G-5 Australian CTM" worksheet as part of the attached EQR Spreadsheet, in accordance with the instructions. [CONFIDENTIAL ATTACHMENT]

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".

Dongkuk provides the G-5.2 worksheet as part of the attached EQR Spreadsheet, listing the source of the data for each column of the "G-5 Australian CTM" worksheet. [CONFIDENTIAL ATTACHMENT]

G-6 Cost allocation method

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

Dongkuk Steel provides explanation on the calculation of manufacturing cost by each cost component as below:

(a) Raw Materials

Dongkuk Steel's SAP system calculates the actual raw material cost, sub-material costs and net scrap.

When Dongkuk Steel imports primary materials, the value of the primary material includes import duty as well as any incidental costs incurred in obtaining the materials, if any. However, VAT is not included in Dongkuk Steel's material costs.

(b) Labour Cost

Under Dongkuk Steel's cost accounting system, direct labour costs are recorded as variable and other labour costs. The labour cost includes the cost incurred for all production workers, inspection/testing workers, and other workers directly involved in the production of the subject merchandise. The labour cost amounts include the base pay, overtime pay, bonuses, and retirement allowance.

(c) Manufacturing Overheads

All fabrication costs (i.e., labour, variable overhead and fixed overhead) are charged to individual products through Dongkuk Steel's process cost accounting system.

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

Dongkuk provides the worksheet and supporting documents to show manufacturing cost calculations for the largest domestic sales sample in Exhibit G-6.2 Sample Cost Calculation for the MCC with the Largest Production Volume in the Domestic Market. [CONFIDENTIAL ATTACHMENT]

G-7 Major raw material costs

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

The major raw material for Dongkuk's production of the goods is steel scrap.

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.

[CONFIDENTIAL TEXT DELETED – procurement practices concerning raw material]

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.

Please refer to the relevant CTM information on the worksheet G-3 and G-5. [CONFIDENTIAL TEXT DELETED – average percentage of raw material of total cost to make and ratio of raw material]. Please see Exhibit G-7.3 for further information concerning the composition of raw materials. [CONFIDENTIAL ATTACHMENT]

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.

Dongkuk Steel provides information on the purchase of steel scrap which is the major raw material in the "G-7.4 Raw material purchases" worksheet. [CONFIDENTIAL ATTACHMENT]

Dongkuk Steel notes that steel scrap is not "manufactured". Instead, they are typically supplied by trading companies who have sourced the scrap from metal scrap yards. As such, the "manufacturer" information is not applicable.

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

Dongkuk Steel provides a table listing the source of the data for each column of the “G-7.4 Raw material purchases” in Exhibit G-7.5. [CONFIDENTIAL ATTACHMENT]

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.

Dongkuk Steel provides the supporting documents for the two largest invoices in Exhibit G-7.6.(1). and Exhibit G-7.6.(2). [CONFIDENTIAL ATTACHMENTS]

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

[CONFIDENTIAL TEXT DELETED – explanation of raw material purchases and pricing information].

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.

Dongkuk Steel provides the “G-8 Upwards costs” worksheet in accordance with the instructions. [CONFIDENTIAL ATTACHMENT] For the accounting code, Dongkuk Steel provides the supporting worksheet in G-8 Upwards costs. Dongkuk Steel reports the accounting code which can be traced and matched to financial statements. For further detailed reconciliation, Dongkuk also provides a cost reconciliation chart and supporting documents in Exhibit G-8.2.(1). [CONFIDENTIAL ATTACHMENT]

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

Dongkuk Steel provides the supporting documents for “G-8 Upwards costs” in Exhibit G-8.2.(1) [CONFIDENTIAL ATTACHMENT] and duplicated production cost calculation methodology in Exhibit G-8.2.(2). [CONFIDENTIAL ATTACHMENT]

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:

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- 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.

Dongkuk Steel explains the source documents in “G-8 Upwards costs”.
[CONFIDENTIAL ATTACHMENT]

G-9 Production of the goods under consideration

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

Dongkuk Steel has reported the production quantity as recorded in its production control system. The quantities reported in the home-market and US sales databases are consistent with those used for the cost database submitted with this response. The reported production quantity ties directly to the production quantity recorded in Dongkuk’s inventory movement report. Dongkuk provides supporting documents to demonstrate that the production quantities which are reported in G-3.1. and G-5.1. are matched to the inventory movement report in Exhibit G-9.1. Production Quantities of Domestic and Australian CTM in Inventory Movement Report.
[CONFIDENTIAL ATTACHMENT]

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.

Besides its main integrated SAP system, Dongkuk Steel operates manufacturing execution systems (“MES”) for production control. Dongkuk Steel’s MES is linked to the Production & Product (“PP”) module in its SAP system. MES are computerized systems used in manufacturing to track and document the transformation of raw materials into finished goods. The MES provides information that helps manufacturing decision makers understand how current conditions on the plant floor can be optimized to improve production output. The MES works in real time to enable the control of multiple elements of the production process (e.g., inputs, personnel, machines and support services).

Dongkuk Steel tracks the production quantities of each finished product to the level of batch number, which is the most specific level possible.

Dongkuk Steel used kilogram (“KG”) or MT to record and track the quantity of the GUC produced. Dongkuk provides in Exhibit G-9.2. sample reports (screenshots) illustrating its production control system. [CONFIDENTIAL ATTACHMENT]

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

There are differences between production quantities and sales volumes due to inventory movement. As mentioned above in G-9.2., Dongkuk manages production

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quantities through the MES and SAP system to optimize productivity. However, due to the nature of the industry, sales volumes and production quantities cannot always coincide.

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

In principle, Dongkuk Steel determines the volume of production for the goods and the product mix of production according to customers' orders, and the production plan, which determines the production volume and product mix, is drawn up every [CONFIDENTIAL TEXT DELETED - frequency].

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

Dongkuk Steel uses both methods, make to order and make to stock in domestic sales, and uses the make to order method in export sales.

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

Dongkuk Steel generally establishes a production plan every [CONFIDENTIAL TEXT DELETED – timeframe] to determine the volume to be produced. The [CONFIDENTIAL TEXT DELETED – timeframe] production plan can be adjusted according to [CONFIDENTIAL TEXT DELETED – production plan adjustment factors]. Therefore, the cycle of production change is [CONFIDENTIAL TEXT DELETED – frequency and factors for production plan adjustment]

EXPORTER'S DECLARATION

I hereby declare that **Dongkuk Steel Mill Co., Ltd** have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name: **Kwangbum Park**

Signature: **K. B. Park**

Position in company: **General Manager of Trade Affairs Team**

Date: **6 April 2022**

APPENDIX GLOSSARY OF TERMS

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

Adjustments

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

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

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

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

Arms length

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

Constructed value

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

Cost of production/manufacturing

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

Cost to make and sell

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

Country of origin

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

Date of sale

The commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

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

Dumping

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

Dumping margin

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

Export price

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

Exporting country

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

Factory overheads

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

Goods under consideration (the goods)

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

Incoterms

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

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

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

The period

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

Like goods

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

Normal value

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

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

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

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

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

Ordinary course of trade

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

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

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

Selling, general and administration expenses (SG&A)

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

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

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