



Australian Government
Department of Industry,
Science and Resources

OFFICIAL: FOR PUBLIC RECORD

Anti-Dumping Commission

Exporter Questionnaire

Case number: 617

Product: Steel Pallet Racking

From: China

Inquiry period: 1 January 2022 to 31 December 2022 (the period)

Response due by: 10 May 2023

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) is conducting a continuation inquiry into steel pallet racking exported to Australia from the People's Republic of China (China) and Malaysia.

The commission will use the information you provide to determine normal values and export prices over the inquiry period (the period). This information will determine whether steel pallet racking 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.

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.

Please be aware that, if at any stage during this inquiry you become aware that you have inadvertently received confidential information submitted by another party, you have a responsibility to:

- Notify the commission
- Delete the information from your system and
- Refrain from using, sharing or retaining the information in any way.

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.

The verification may include Commission staff visiting your company to conduct on onsite verification. Any onsite verification typically commences approximately 2 to 4 weeks after the due date of the

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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.
- 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.

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

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

Steel Pallet racking, or parts thereof, assembled or unassembled, of dimensions that can be adjusted as required (with or without locking tabs and/or slots, and/or bolted or clamped connections), including any of the following - beams, uprights (up to 12 metres) and brace (with or without nuts and bolts).

Additional information

The goods are adjustable static racking structures capable of carrying and storing product loads, and components used to make static racking structures.

Adjustable racking is a structure typically made from cold-formed or hot rolled steel structural members and includes components such as plates, rods, angles, shapes, sections, tubes and the like. Welding, bolting or clipping are the typical methods to assemble them. It may be racking installed within a building.

A typical storage configuration comprises upright frames perpendicular to the aisles and independently adjustable, positive locking beams parallel to the aisle, spanning between the upright frames, and brace designed to support unit load actions.

The racking layout and components used are designed to get the best efficiency for the shape and volume of the items stored. The applicable Australian Standard is AS40842012.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:¹

Tariff Subheading	Statistical Code	Description
7308		STRUCTURES (EXCLUDING PREFABRICATED BUILDINGS OF 9406) AND PARTS OF STRUCTURES (FOR EXAMPLE, BRIDGES AND BRIDGE-SECTIONS, LOCK-GATES, TOWERS, LATTICE MASTS, ROOFS, ROOFING FRAMEWORKS, DOORS AND WINDOWS AND THEIR FRAMES AND THRESHOLDS FOR DOORS, SHUTTERS, BALUSTRADES, PILLARS AND COLUMNS), OF IRON OR STEEL; PLATES, RODS, ANGLES, SHAPES, SECTIONS, TUBES AND THE LIKE, PREPARED FOR USE IN STRUCTURES, OF IRON OR STEEL:
7308.90.00		Columns, pillars, posts and beams, girders, bracing, gantries, brackets, struts, ties and similar structural units:
	58	Racking and shelving

¹ 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.

On 6 May 2019 the then Minister for Industry, Science and Technology exempted all components or parts of steel pallet racking, other than beams, uprights and braces, from interim dumping duty and dumping duty effective from 19 June 2018.²

Model Control Code

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

Item	Category	Sub-category		Sales Data	Cost data
1	Form	B	Beam	Mandatory	Mandatory
		U	Upright		
		BR	Brace		
2	Finish	G	Galvanized	Mandatory	Mandatory
		PC	Powder coated		
		P	Painted		

In constructing a MCC, use a "-" between each category. For example: B-G

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 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: [REDACTED]

Position in the company: Sales Manager

Telephone: [REDACTED]

E-mail address: [REDACTED]

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

Name: Russell Wiese, Customs and Global Trade Law

Address: Level 17, 31 Queen Street, Melbourne, Victoria, 3000

Telephone: +61 3 9844 4328

E-mail address: rwiese@cgtlaw.com.au

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

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

[Zhejiang Shanghong Shelf Co., Ltd.](#)

[No.2 Dongsheng Rd., Jiashan Economic](#)

[Development Zone, Jiashan, Zhejiang, China](#)

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

[Zhejiang Shanghong Shelf Co., Ltd.](#)

[No.2 Dongsheng Rd., Jiashan Economic](#)

[Development Zone, Jiashan, Zhejiang, China](#)

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

[Zhejiang Shanghong Shelf Co., Ltd.](#)

[No.2 Dongsheng Rd., Jiashan Economic](#)

[Development Zone, Jiashan, Zhejiang, China](#)

A-2 Company information

1. What is the legal name of your business?

[Zhejiang Shanghong Shelf Co., Ltd. \(Shanghong\)](#)

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

No

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

No

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

- No Changes, please refer to attached list H-2-Q2. The only director is. [REDACTED]

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

Please refer to H-2-Q2. In the table there are 3 companies that are related to Shanghong. These are Zhongyu Investment Holdings Limits (**Zhongyu**), Yuhua Trading (HK) Limited (**Yuhua**) and CH Racking (Australia) Pty Ltd (**CH Racking**). The function of Zhongyu is to act as an investment/holding company. The functions of Yuhua is to act as a trading company for sales to Australian customers. It does not perform any functions other than act as a purchaser of goods from Shanghong for sale to Australian customers. CH Racking is an Australian distributor. [REDACTED]

[REDACTED] [\[Detail of customers and sales of Yuhua and CH Racking\]](#)

6. Is your company or parent company publically listed?

No

If yes, please provide:

- (a) The stock exchange where it is listed and
- (b) Any principle shareholders²

If no, please provide:

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

[Details of shareholders of Shanghong]

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.

Shanghong is a professional manufacturer and supplier of steel structure products, including shelving gondolas, warehousing racking, trolley, roll cage, home shelving, display props, as well as wooden products, hardware products and vending machines etc. Our markets are almost all over the world, mainly China mainland, Australia, Mexico, South America, European countries, South and East Asia.

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- (a) produce or manufacture
- (b) sell in the domestic market
- (c) export to Australia and Export sales to Australia are performed by a related company, Yuhua. Yuhua is a Hong Kong registered company. Yuhua's only function is to act as a buy / sell company.

- (d) export to countries other than Australia.

9. Provide your company's internal organisation chart.

Please refer to attached A-2-Q9&Q10

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

Please refer to attached A-2-Q9&Q10

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

Yes, please refer to attached A-2-Q11

A-3 General accounting information

1. What is your financial accounting period?

From Jan.1st to Dec.31st of each year

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

Yes, Every year,

Auditor: Jiaxing Chengzhou United Accounting Firm

3. What currency are your accounts kept in?

CNY

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

INFO

5. What is the name of your sales system?

National Tax System

6. What is the name of your production system?

INFO

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. Please refer to A-3-Q7 The interaction between the National Tax System for sales and INFO is manual. Sales data is manually inserted into INFO.

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

Accounting and auditing in accordance with the Chinese Accounting Standards for business enterprises.

² Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

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

No changes.

A-4 Financial Documents

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

Please refer to attached A-4-Q1

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. Please refer to attached A-4-Q1

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

N/A

3. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods falls into for:

- (a) the most recent financial year and
- (b) the period.

N/A

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

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

N/A

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

Please refer to attached A-4-Q5

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

Please refer to attached A-4-Q5. The chart of accounts can be taken from the trial balance.

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

Please refer to B-1-Q1. As detailed in the attachment, supplies to Australia are via Yuhua.

[Details on the operation of Yuhua]

2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:
 - (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details **Yes, mainly in USD and AUD**
 - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details **No forward contract are in place. The time from order to supply is only 2 weeks which lessens the exposure to currency movement. If there is significant movement, we will look to adjust pricing for future orders.**
- How is the exchange rate determined in your accounting system and how often is it updated? **Monthly update, according to the central parity of "Bank of China foreign exchange rate" B-2.2-(20)**
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. **Goods manufactured by Shanghong for export to Australia are generally sold to Yuhua and this company sells the goods to the Australian importer. Pricing is negotiated with the Australian customer and the price between Shanghong and Yuhua is generally [Detail of pricing between Shanghong and Yuhua]**
4. If sales are in accordance with price lists or price extras list, provide copies of these lists. **Please refer to B-1-Q4 which are example price lists for particular customers. There is not a single price list that is generally provided to the market. [Pricing approach by Shanghong]**
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. **There is only one sales channel to Australia, this is to Yuhua. Yuhua acts as a trading company. This is a different sales model to domestic sales where Shanghong sells directly to the customer. [Detail of pricing to trading company]**
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. **[Detail of discount and rebates]**
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. **No credit or debit notes were issued.**

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? Invoice date, usually same as the estimated time for delivery.
 - (b) Why does this date best reflect the material terms of sale? Any claim for an adjustment would need to substantively address
 - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
 - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
 - whether contracts were entered into for the materials purchases, and materials inventory valuation. The invoice date is nominated as the date of sale. This is usually when the goods are delivered or available for delivery. At this point in time the goods have been produced and Shanghong has performed the obligation that entitles it to payment. There is usually only a week period between the receipt of an order and the issuing of an invoice. ■

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) of the *Customs Tariff (Anti-Dumping) Act 1975*.³
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

[Please refer to B-2.2](#)

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

[Please refer to B-2.2](#)

B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment and accounts receivable ledger
 - Documents showing bank charges
 - Invoices for inland transport
 - Invoices for port handling and other export charges
 - Bill of lading
 - Invoices for ocean freight & marine insurance (if applicable)
 - Country of origin certificates (if applicable)

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

[Please refer to B-3](#)

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

[Please refer to B-3](#)

B-4 Reconciliation of sales to financial accounts

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

[Please refer to B-4](#)

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

[Please refer to B-4](#)

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

³ [Ministerial Exemption Instrument No. 1 of 2019](#)

provide the account code and sub-account code (if applicable) at column E of the worksheet. [Please refer to B-4](#)

B-5 Reconciliation of direct selling expenses to financial accounts

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

[Please refer to B-5](#)

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

[Please refer to B-5](#)

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.

[Please refer to B-5](#)

SECTION C EXPORTED GOODS & LIKE GOODS

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

C-1 Models exported to Australia

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.

[Customer name] [REDACTED] store shelving fixtures & fittings, Mid-panels, Gondola shelving, metal displays, [Customer name] [REDACTED] Gondola, BOH rack. Attached as C-1-Q1 are drawings which set out examples of the goods supplied to Australia.

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.

B-PC, B-G, U-PC, U-G, BR-PC, BR-G

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.

Gondola Shelving, [Customer name] [REDACTED] Rack, [Customer name] [REDACTED] gondola, [Customer name] [REDACTED] rack, warehousing rack, Mezzanines, AS/RS system etc. Attached as C-2-Q1 is brochure that sets out the various types of goods produced and sold in China.

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.

B-PC, U-PC, BR-PC

C-3 Internal product codes

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

If yes:

- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code. Please refer to D-2.2-(1-4.9) and B-1-Q4 for examples of SKUs. Shanghong generally does not provide generic commodity products but rather provides products designed and ordered by particular customers. These products will generally have the SKU provided by the customer. Shanghong does not inquire as to the SKU methodology used by the customer.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire. Please refer to D-2.2-(1-4.9) and B-1-Q4. The mapping of SKUs to MCC was conducted manually by reading the product description in purchase orders and matching that to a MCC.
- (c) Provide a table of showing the product or SKU codes for each MCC. Please refer to D-2.2-(1-4.9) and B-1-Q4 as an example of this mapping in respect of supplies to [Customer name].

If no:

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

SECTION D DOMESTIC SALES

D-1 Domestic sales process

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

Please see attachment D-1-Q1 [REDACTED]

[REDACTED] [Details regarding payment terms]

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

3. If sales are in accordance with price lists or price extras list, provide copies of these lists.
Domestic projects quoted per project, no constant price list.
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.
There is only one distribution channel for domestic sales – direct to the customer who is the user of the goods.
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. [REDACTED] [Details regarding the offering of discounts]
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.
No.
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? The VAT invoice date
 - (b) Why does this date best reflect the material terms of sale? You would need to substantively address:
 - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
 - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
 - whether contracts were entered into for the materials purchases, and materials inventory valuation.

Invoice date means the initial payment calculation date. – [REDACTED]

[REDACTED] [Detail on the issuing of invoices and purchase of raw materials]

D-2 Domestic sales listing

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

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

Please refer to D-2

[Details of amounts covered by domestic invoices]

D-3 Sample domestic sales documents

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

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

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

[Please refer to D-3.](#)

D-4 Reconciliation of sales to financial accounts

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

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

D-5 Projects and additional services

1. Do you offer additional services alongside sales of the goods (for example, assembly or installation services)? If yes, provide details about: [Yes](#)
- (a) The different types of services offered [Installation and delivery](#)
 - (b) What activities are involved in the delivery of each service [Installation and delivery of the equipment we have sold](#)

- (c) The percentage of domestic sales where associated services are provided – [REDACTED] [Percentage of domestic sales where installation is provided]
 - (d) The factors that influence the price of each associated service [REDACTED] [Details that impact pricing offered by Shanghong]
2. Do you offer to supply the goods as a part of tenders for larger projects (for example, development or installation of a new warehousing solution, or integration with an existing solution)? If yes, please complete the worksheet named “D-5 Project tenders”, which details information about any tender bids and completed projects that include the sale of the goods. Yes, Please refer to D-5
3. For each of the the 2 largest successful tender bids (by value) in “D-5 Project tenders”, provide relevant documents including the request for tender, and your winning bid. Please refer to I-3-Q10(J). Also attached is D-5-Q3 relating to a winning tender.

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: [REDACTED] [Detail of credit terms]
- (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: No rolling credit
 - 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 denominated in your local currency? If yes, what is the interest rate, or average of interest rates? [REDACTED] [Detail of financing]
 - (c) Do you have term deposits or other cash product (e.g. bonds) denominated in your local currency? If yes, what is the interest rate, or average of interest rates? No
- [REDACTED]

[Detail of credit terms]

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
- (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: No rolling credit.
 - 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? No
 - 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? No
- [REDACTED]

[Detail of payment terms]

E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?
Solid wood pallet
2. What is the packaging used for your export sales of the goods to Australia?
Plywood pallet or fumigated solid wood pallet
3. If there are distinct differences in packaging between your domestic and export sales:
 - (a) Provide details of the differences Export sales will have shipping label with all information in, please refer to a same label as E-2-Q3.
 - (b) Calculate the weighted average packaging cost for each model sold on the domestic market - █% of the sales price
 - (c) Calculate the weighted average packaging cost for each model exported to Australia - █% of the sales price

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?
Delivery cost for most domestic projects will be listed individually on quotation and contract.
2. What are the delivery terms of the export sales of the goods to Australia?
Most used FOB shanghai Term, only [Customer name] are supplied on ex-works terms (meaning this Shanghong does not provide delivery to the port).
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?
The transport cost to Shanghai port in B-2 is per the actual cost the forwarder charged us. The quotation to the customer will use █% ratio for all cost which will include inland delivery and port handling and other export charges.
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?
The amount in B-2 is per the actual cost the forwarder charged us. The quotation to the customer will use █% ratio for all cost in, including inland delivery and port handling and other export charges.
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. If any amount was included, it would be based on actual costs.
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. If any amount was included it would be based on actual costs.
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.

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.
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?
Only one rate 13% for both domestic and oversea sales. Oversea sales has 13% duty drawback, but no preferential policy for domestic sales.
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

No

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

No.

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 (December 2021)*⁴ for more information.

There is a different level of trade in respect of domestic and Australian sales. Australian sales are via a trading company whereas domestic sales are direct to the end user of the goods. Australian sales are via Yuhua. The price charged by Yuhua to the Australia customer is at the equivalent level of trade as Shanghong's domestic sales.



[Detail of functions of Yuhua and pricing between Yuhua and Shanghong]

⁴ Available on the commission website

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 only difference is Australia sales will go through our trading company Yuhua, other countries will go directly from Shanghong.
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.

No sales to related parties in third countries. Subsidiaries that were previously in other countries have closed prior to the inquiry period.

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? *Invoice date*
 - (b) Why does this date best reflect the material terms of sale? Any claim for an adjustment would need to substantively address:

whether, why, and to what degree, the considerations in determining price differed between export and domestic sales

-
- whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
- whether contracts were entered into for the materials purchases, and materials inventory valuation.

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

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.

Australia is the only market to which sales are made via a trading company (Yuhua). Sales to other markets are either to the end user customer or a distributor. The use of a trading company means that Shanghong sales to Australia are at a different trade level to sales to other countries. The Yuhua sale price will be more reflective of a comparable sales price.

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.
[The production process in respect of uprights, beams and bracing is set out in attachment G-1-Q1. Any scrap or waste product is sold as scrap to depots that trade in this material.](#)
2. Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

No

G-2. Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?
[Actual costs.](#)
2. If your company uses standard costs:
 - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?
 - (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
 - (c) How were those variances allocated?
 - (d) Provide details of any significant or unusual cost variances that occurred during the period.[Not applicable.](#)
3. Briefly explain your cost accounting practices (e.g. job costing, process costing).
[\[Details of cost accounting practices\]](#) [REDACTED]
4. 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.
[No.](#)
5. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?
[Each individual product code has a different production cost.](#)
6. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.
[No.](#)
7. 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.[No.](#)
8. 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)?
[First in first out-FIFO.](#)
9. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?
[Please refer to J-4-Q5, we already added in \[REDACTED\]% material loss for each product when doing the](#)

calculation. We cannot generally sell damaged or sub-standard goods as their use would be structurally unsafe.

10. What are the valuation methods for scrap, by products, or joint products?
Please refer to J-4-Q5, we already added in █% material loss for each product when doing the calculation. This amount represents the average net loss based on experience of stock losses and amounts recovered as scrap.
11. 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.

For ease of reference costs of production have been based on costs per 1 kg produced.

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".

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
 - 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.
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.

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.

For ease of reference, the amounts have been expressed on a per kilogram basis.

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".

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

Where actual costs can be accurately allocated, this occurs. Where actual costs cannot be accurately allocated, costs are allocated based on the weight of the associated output.

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.

Refer to attachment I-3-Q3 for an example of the cost allocation methodology.

G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?
Q235 Hot rolled coil
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. No
 - 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.
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. Materials as a percentage of total costs to make is approximately █%.
█%
4. For each raw material identified in G-7.3 which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"
 - This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.

- You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained. [Please note that there is sea freight recorded for some supplies. This is domestic sea freight. All supplies are from domestic sources.](#)
5. Provide a table listing the source of the data for each column of the “G-7.4 Raw material purchases” listing. [All information is sourced from the relevant purchase orders.](#)
 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. [Please see attached G-7-Q6 as example evidence of purchase of materials.](#)
 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.
[No](#)

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

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. [Please refer to G-9-Q1&Q2.](#)
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. [Please refer to G-9-Q1&Q2.](#)
3. Briefly explain the reasons for any differences between:
 - (a) the production quantities reported at worksheet “G-3 domestic CTM” and the sales volumes reported at worksheet “D-2 domestic sales” and
 - (b) the production quantities reported at worksheet “G-5 Australian CTM” and the sales volumes reported at worksheet “B-2 Australian sales”.

[Explanation of variance in confidential spreadsheets]

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?

The level of production and types of products produced are based on customer orders. Many products are unique to individual customers so there is no preplanning of production prior to the receipt of orders. [Redacted] [Information about inventory]

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

We produce goods based on orders. Normally the timeframe between receipt of an order and the production of that order is [Redacted] weeks for international orders and anywhere between [Redacted] [Timeframe] for domestic orders. The timeframe depends on the size of the order and requirements of the customer.

G-10 Capacity Utilisation

1. Please complete the worksheet named "G-10 Capacity Utilisation".

- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

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

Every year, we will make capacity plans and predictions according to the equipment and existing personnel. The capacity level is recorded in the weight of output., The financial team can calculate the monthly possible production capacity in terms of the weight of goods produced. In calculating this amount it takes into account public holidays and any other time when it is known that the factory will be closed. Production capacity is calculated by comparing the weight of output against the estimated capacity.

3. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes: Yes, we have our own big warehouse.

(a) What is the capacity of these facilities? The warehouse can store more than 100*40' containers in volume.

(b) What was the monthly amount of inventory maintained during the investigation period?

[Redacted]

[Details on the use of the warehouse]

(c) What is the average period of time that inventory is retained (describe how this is calculated)? For new finished orders, they would rarely be stored for more than [Redacted] days.

4. Have there been any changes to the type of capital or technology utilised by your company in the manufacturing of the goods in the last five years? If yes, provide details.

No changes, because our manufacturing technical and process is constant, bracings, uprights and beams are from automatic lines.

5. For each plant capable of producing inputs that could be utilised to make the goods, provide the date that production facility came into operation and the production capacity of the plant over the past five years. The production capacity should be based on an actual production capacity, not a budgeted production capacity.

[Redacted]

[Details of productions lines and capacity]

6. List any significant investments in the past five years to either upgrade, refurbish or build any of the plants used in the production of the goods.

[Redacted]



[Detail of new production lines]

SECTION H PARTICULAR MARKET SITUATION

In Final Report No. 441, the commission determined that the Government of China exerted influence on the Chinese steel industry, which substantially distorted competitive market conditions. As a result, domestic prices for Chinese steel pallet racking were substantially different to those that would prevail in normal competitive market conditions.⁵

The commission will seek to determine whether, during the inquiry period, there was a situation in the Chinese pallet racking market such that sales within that market are unsuitable for determining normal values.

H-1 Reporting requirements

1. Describe generally all interaction that your business has with the Government of China at all levels, including (but not limited to):
 - (a) reporting requirements
 - (b) payment of taxes
 - (c) senior management representation within your business
 - (d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC
 - (e) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions)
 - (f) licensing
 - (g) restrictions on land use
 - (h) provision of loans or
 - (i) provision of grants, awards or other funds

Our business has standard taxation and statistical reporting to the Chinese Government. Other than this, we have very little involvement with the Government of China. There is no Government involvement in how we run our business, including the setting of prices. We are subject to standard requirements that apply to all businesses such as obtaining a business licence and being required to pay taxes.

Please refer to H-1-Q1 for information on reports and associations of which Shanghong is a member of.

H-2 Business structure, ownership and management

1. Indicate whether your company is a state-owned or state-invested enterprise (SIE)
 - A state owned enterprise refers to any company or enterprise that is wholly or partially owned by the GOC (either through direct ownership or through association).

No. Please refer to H-2-Q1 certificate of approval.
2. List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to.
Please refer to H-2-Q2
3. Indicate the names of common directors and officers between your business and related businesses, where applicable.
Please refer to H-2-Q2 and A-2-Q9&Q10
4. Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the Government of China (at any level, from any agency, party, or otherwise associated entity, including SASAC)? If yes, identify the individuals, their role on that Board and their affiliation with the Government of China. No.
5. Does your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If yes, identify their name and title and indicate their position at the board level. No.

⁵ Final Report No. 441 – investigation into alleged dumping of Steel Pallet Racking exported to Australia from the People's Republic of China and Malaysia. Available at www.adcommission.gov.au.

6. Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the Government of China? If yes, identify any relevant government department(s) they are affiliated with. **No.**
7. Indicate who owns what percentage of all shares in your business and identify whether they are:
 - an affiliate, representative, agency or otherwise representative of the Government of China
 - employees of your business
 - foreign investors or
 - other (please specify)

Please refer to H-2-Q2 and A-2-Q9&Q10. No shareholders are associated with the Chinese Government. [Name] is both a shareholder and a director of Shanghong.
8. Provide the details of any significant changes in the ownership structure of your business during the period. **No changes.**
9. Identify any positions within your business that are appointments or designated to act on behalf of Government of China authorities. **No one.**
10. Explain whether there are requirements in law and in practice to have government representation at any level of your business. If there is such a requirement, explain the role of government representatives appointed to any level of your business. **No such requirements.**
11. If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed. **No.**
12. Provide the monthly trading volume and average monthly trading price of your listed security over the period. **Not applicable.**
13. Who has the ability to reward, fire or discipline your business' senior managers? **The director, [Name].**
14. Do any of your company's senior managers hold positions in any Government of China departments or organisations, associations or Chambers of Commerce? If yes, describe the nature of these positions. **No one.**
15. Provide the names and positions of your company's pricing committee.
Sales director: [Name]
Financial director: [Name]

H-3 Licensing

1. Provide a copy of your business license(s).
Please refer to H-3-Q1
2. Identify the Government of China departments or offices responsible for issuing the license(s).
Jiashan County Market Supervision Administration
3. Describe the procedures involved in applying for the license(s).
Enterprise business license formalities
 1. Approved name
Time: 1-3 working days
Operation: Determine the type of company, name, registered capital, shareholders and investment ratio, you can go to the Industrial and Commercial Bureau site or online to submit a nuclear application.
Result: check the name passed, fail to check the name again.
 2. Submit materials
Time: 5-15 working days
After approving the name, confirm the address information, executive status information, business scope, and submit the pre-application online. After online pre-examination, according to the appointment time, submit application materials.
Result: Notice of approval of establishment was received.
 3. Get a license

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Time: The day of the appointment

Operation: Take the permission to set up the registration notice, the original identity card of the operator, to the Industrial and Commercial Bureau to get a business license.

Result: Get business license

4. Describe any requirements or conditions that must be met in order to obtain the license(s).
To obtain a licence, the main requirements are to provide information about the business, shareholders and representatives. This is set out below.
ONE. The registered address of the company
 1. Copy of "House Ownership Certificate" to be provided (the property right of the unit shall be affixed with the official seal of the property owner) and seal or signature on the establishment registration form.
 2. The property "House Use" must be "non-domestic", otherwise it cannot be registered.
 3. The original copy of the Rent Lease Contract must be provided and the rental invoice must not be less than 3 months.
 4. Copy of personal homeowner's ID card must be provided.TWO. Shareholder ID card
 1. Original second-generation ID cards of all natural person shareholders must be provided.
 2. Full copy of business license, original national and local tax, original code, account opening permit, original ID card of legal representative and official seal of all shareholders of the enterprise must be providedTHREE. Determine the legal representative, manager and supervisor
 1. The legal representative and the manager may be the same person.
 2. Legal representatives, managers, supervisors must not also be shareholders and also need to provide a copy of the ID card.
 3. Resume of legal representative must be provided..FOUR. The scope of business must be determined
Five. the company fixed telephone, mobile phone, postal code, the street address must be provided
SIX. A copy of ID card, copy of accounting certificate and contact number of the accountant must be provided
5. Describe and explain any restrictions imposed on your business by the business license(s).
There is no age or other limit on a business license, and anyone with full capacity for civil conduct can apply for a business license upon application. The business can only carry on the activities set out in the business licence.
6. Describe any sanctions imposed on your business if you act outside the scope of your business license(s).
If you perform activities outside of those in your business licence, the company may be fined and/or the registration cancelled.
7. Describe and explain any rights or benefits conferred to your business under the license(s).
The business license of a company is not only the legal basis for the establishment of a company, but also the qualification certificate to prove that the company is an enterprise legal person and qualified to engage in business activities, including the scope of the business.
8. Describe the circumstances under which your business license(s) can be revoked, and who has the authority to revoke the license(s).Administration for Industry and Commerce can revoke a licence in the following circumstances”
 - (1) Obtaining company registration by falsely stating the registered capital in the process of company registration, if the circumstances are serious;
 - (2) Submitting false certification documents or taking other fraudulent means to obtain company registration, if the circumstances are serious;
 - (3) Where a company fails to start its business within the prescribed time limit without justifiable reasons after its establishment, or ceases business on its own the company registration authority shall revoke its business license;
 - (4) The company does not apply for cancellation of registration after the liquidation of bankruptcy or dissolution;
 - (5) After the establishment, alteration or cancellation of registration of a share limited company, it does not issue a public announcement within the prescribed time limit or the content of the public announcement is inconsistent with the content approved for registration by the company registration authority, and the circumstances are serious;

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(6) Where a company fails to accept the annual inspection as required, the company registration authority shall impose a fine and set a time limit for the annual inspection, or fail to accept the annual inspection after the time limit;

(7) Forging, altering, renting, lending or transferring a business license, if the circumstances are serious;

(8) The company is engaged in business activities beyond the approved and registered business scope, if the circumstances are serious.

H-4 Decision-making, planning and reporting

1. Provide a description of your business' decision-making structure in general and in respect of the goods. This should identify the persons or bodies primarily responsible for deciding:
 - a. what goods are produced
 - b. how the goods are produced
 - c. how levels of inputs such as raw materials, labour and energy are set and secured
 - d. how the use of your outputs, such as product mix, is determined
 - e. how your business' profit is distributed.

Decision regarding the business are made in the manner you would expect for any private company. Decisions are made by the director and managers regarding the running of the business. Decisions regarding what goods will be produced are driven by customer demand. Decisions regarding purchasing are made by the procurement team based on normal commercial considerations such as availability, price and quality. Distribution of profits is determined by directors and shareholders.

2. Provide a description of any Government of China input into the decision-making process respecting your manufacture, marketing and sale of the goods.

The Government has no input into the decision making process of Shanghai.

3. Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of the goods.

Not applicable.

4. List and describe all reports that must be submitted to the Government of China periodically by your company, and identify the government department/office where each report is filed.

Tax Bureau: Monthly tax return and quarterly tax return

Statistical Bureau: Monthly output statement

5. Provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

This is a state confidential document and we do not consider that we are permitted to divulge this document.

6. Does your business develop any five-year plans or similar planning documents? If yes, provide copies of these plans and advise whether these plans have been submitted, reviewed or approved by the Government of China (including the National Development and Reform Commission). We have our own very basic five-year plan from 2020. This is not submitted, reviewed or approved by the Government of China. See attachment H-4-Q6.

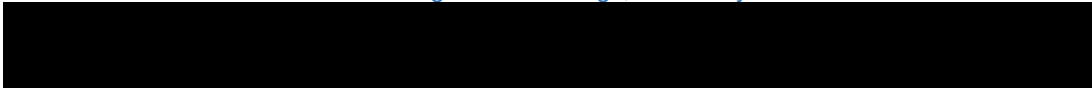
7. Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the period.

Please refer to H-4-Q7 for a recent example of a minutes of a monthly management meeting.

There are no board of shareholder meetings.

8. Provide copies of the notes to company meetings where pricing decisions on the goods under consideration have been made over the period.

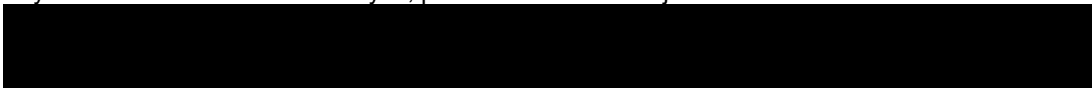
Please refer to H-4-Q7. In these management meetings, we mainly talk about



[Details of topics discussed at monthly management meetings]

H-5 Financial and investment activities

1. Is your business debt funded? If yes, provide a list of all major lenders.



[Details of company's financial activities]

2. What is the rate of interest paid by your business on all debt instruments over the last 5 years?
[Interest rate %]
3. Has your business benefited from any concessional interest rates for your loans/debts in the last 5 years? If yes, provide details.
No.
4. Has your business raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt and/or equity instruments in the last 5 years? If yes:
 - a. explain what instruments were used
 - b. identify the type (e.g government guarantee) and provider of the security and
 - c. explain the reasons for raising the capital.No
5. Does your business have policies on how cash reserves are to be invested? If yes, provide details.
No
6. Has your business invested in either government or non-government debt securities (such as bonds, quasi-government bonds)? If yes, provide details (e.g. type of instrument, amount invested and the expected rate of return).
No.

H-6 Government policy on the industry

1. Are there any Government of China opinions, directives, decrees, promulgations, measures, etc. concerning industry of the goods that were put in place or operating during the period? If yes, please provide:
 - a. copy of the documentation and a translation in English
 - b. documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning the goods to your company during the period.

Not that we are aware of in respect of the steel pallet racking industry.

2. To your knowledge, are there any Government of China opinions, directives, decrees, promulgations, measures, etc. concerning the HRC steel industry (as the main raw material input to the goods) that were put in place or operating during the period? If yes, please provide:
 - a. copy of the documentation and a translation in English

Not that we are aware of. While we purchase steel, we are not a steel manufacturer.

3. Provide information concerning the name of any Government of China departments, bureaus or agencies responsible for the administration of all Government of China measures concerning the industry of the goods in the regions, provinces or special economic zones where your company is located, including contact information regarding the following areas:
 - industrial policy and guidance on the industry
 - market entry criteria for the industry
 - environmental enforcement for the industry
 - management of land utilization
 - the China Banking Regulatory Commission for the industry
 - investigation and inspection of expansion facilities
 - the section in the National Development and Reform Commission that is responsible for the industry and
 - import licensing for raw materials relating to the goods under consideration.

Management Committee of Jiashan Economic and Technological Development Zone (Huimin Subdistrict Office) -86-0573-84251220, our factory is under the management of this government department.

4. Describe any role your company plays in the development of government's industrial plans and/or policies at all levels of government. For example, does your company provide information for, or request inclusion in, any plans, policies, or measures?

We are not involved in any way in Government planning or policy making.

5. Does your company provide information relating to assessments of the implementation of the plan, policy or measure?

No.

6. Has the Government of China designated your company and/or industry as “pillar,” “encouraged,” “honourable,” or any other designation? If yes, please answer the following questions.
 - a. Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.
 - b. Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?
 - c. Describe any instances in which your company cited Government of China plans, policies, or measures as support for receiving the financing that you report.

We have not received any designation as “pillar”, “encouraged” or “honourable”. We have received designation as a China Famous Trademark and National High-tech Enterprise.

H-7 Taxation

1. Were there any export taxes on the exports of the goods during the period?
Yes.
2. What was the value-added tax rebate applicable to exports of the goods during the period?
13%
3. Have there been any changes to the value-added tax rebate applicable to exports of the goods in the last 5 years? If yes, provide:
 - a. a detailed chronological history of the value-added tax rebate rates
 - b. products affected
 - c. the effective dates of the rate changes
 - d. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.

There were wide changes to the treatment of VAT in April 2019. The VAT changed from 16% to 13%. These changes were not specific to Shanghong or steel pallet racking. These changes are public knowledge and been considered by the ADC in numerous investigations. Shanghong cannot provide any specific details beyond what is already known by the ADC.

4. Are you aware of any tax changes being planned that would impact the industry?
No.

H-8 Sales Terms

1. Identify the person who authorises the sales terms, prices and other contract provisions for the sale of the goods by your business.

Sales director: [Name]

Financial director: [Name]

2. Explain how the selling prices of the goods under consideration by your business are determined, including any Government of China involvement in your business’ pricing decisions, and indicate if the goods are subject to Government of China direct or indirect pricing or government guidance pricing.
Consideration of actual manufacturing cost and raw material cost only, together with the desired profit margin. There is no government involvement.
3. Does your business coordinate the selling prices or supply of the goods with other domestic producers or any Government of China departments? If yes, provide details.
No.
4. Explain whether your business provides information or data to the Government of China, other government officials or commercial/industry organisations, including those outside of China, which report on the industry.
Tax Bureau: Monthly tax return and quarterly tax return
Statistical Bureau: Monthly output statement
5. Explain whether your business provides price data to any other person at the provincial, regional or special economic zone level of government.
No.
6. Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.
No.
7. Explain whether your business has encountered any other restrictions, limitations, or other considerations imposed on your business.
No.

8. Which organisation/business entity do you consider as the price leader of the goods? [The largest warehousing racking suppliers as mentioned in question I-1-Q3.](#)

9. Does your business have a pricing committee in respect of the goods? If yes, provide the names and positions of all members of the committee.

[Sales director: \[Name\]](#)

[Financial director: \[Name\]](#)

10. How often does the pricing committee meet to discuss selling prices of the goods? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the period.

[No planned or regular pricing meetings. Rather, pricing is discussed on a per project basis.](#)

11. Identify the person who authorises the sales terms, prices and other contract provisions for the sale of the goods by your business.

[Sales director: \[Name\]](#)

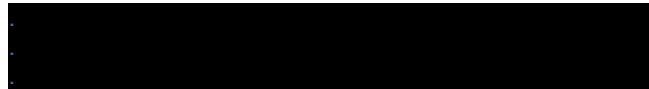
[Financial director: \[Name\]](#)

12. If you have production facilities of the goods in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of the goods? If no, provide details on the differences.

[We only have production facilities in one region.](#)

H-9 Industry associations

1. Is your business a member of any business or industry associations? If yes, explain your business' relationship with the association and the involvement of the Government of China with the associations.



[\[List of associations\]](#)

[Our company is an ordinary member of these associations. We are not aware of the relationship of these associations with the Government of China.](#)

2. If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the Government of China concerning the industry.

[Membership of the associations is voluntary. We are members of the associations for business development and networking reasons. For more detail on the associations see document H-1-Q1.](#)

H-10 Statistics submission/recording

1. Indicate if your business makes submissions to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

[A monthly output statement is provided to the Statistical Bureau.](#)

2. Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs. [Please see attached H-10-Q2 examples of the December 2022 documents lodged with the Statistical Bureau.](#)

3. Do the organisations approve or assess your submission? If yes, provide a detailed explanation.

[Not applicable.](#)

4. Do the organisations provide feedback on your submission? If yes, provide a detailed explanation. [If any wrong information is provided, they will ask for correction.](#)

H-11 Production/output

1. Is any part of your production subject to any national/regional industrial policy or guidance? If yes, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance. To what extent are any of the policies/guidelines applicable to your business?

[No.](#)

2. Where applicable, how did your business respond to the policies/guidelines?

[Not applicable.](#)

3. Provide details regarding any other restrictions (e.g. geographic/regional, downstream, end use, etc.) to the sale of the goods and/or like goods that has been placed upon, or may be imposed, by the Government of China on your business.
We do not have any restrictions on the sale of the goods or like goods. For instance, the goods can be sold both domestically and exported. We can sell at different trade levels and we set the pricing of the goods.
4. Provide a list of all your domestic customers of the like goods, include the location (city and province) of the customer and indicate whether each customer is an SIE.
Please refer to the MCC file D-2.2-(1-4.9) and attachment H-11-Q4.
5. Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon your business? If yes, provide details. *No*
6. Does your business require an export licence? If yes, provide details.
Yes, please refer to H-11-Q6
7. Are the goods sold by your business subject to any export restrictions and/or limits during the previous 5 year? If yes, provide details.
No.
8. Have there been any changes to your production capacity over the last 5 years? If yes, provide details.

[Details of production capabilities]

9. Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas, etc.)? *No* If yes explain the nature and the amount of the concession? *No*

H-12 Adding capacity and/or joint ventures

1. Provide a detailed explanation with respect to the government approval process on adding capacity and/or joint ventures in relation to your business.
We are not aware of any required approval process.
2. Does the government have the right to request modifications in the terms of adding capacity and/or joint ventures? If yes, provide a detailed explanation.
Not that we are aware of.

H-13 Raw materials

1. Are any of the suppliers related or affiliated with you? If yes, provide details.
No.
2. Do you purchase from State Invested Enterprises? If yes, provide a details.

[Material suppliers]

3. If your supplier is based outside China, what import duty rate is applied on the raw materials?
Not applicable, we only purchase materials from China mainland suppliers.
4. Is there a price difference in purchase price for raw materials between your suppliers? If yes, provide a detailed explanation.
There is a small difference in freight costs. This freight cost difference is due to the materials being from different regions.
5. Describe in detail your business' purchase procedures of the raw materials, the considerations in selecting a supplier and how the price of the raw materials is determined between you and your suppliers. If it is by tenders, provide details of the criteria/conditions.
All suppliers supply materials to a standard grade. As such, the main factors are price and ability to supply.



[Discussion of pricing strategy with suppliers]

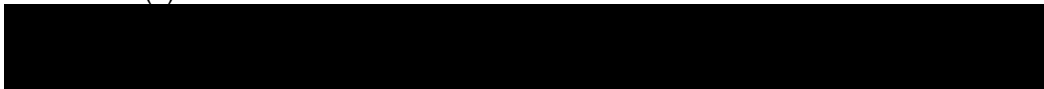
6. Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the period, with respect to raw material inputs.
No.
7. If any of your raw materials for the goods and/or like goods are imported by your business, or related businesses:
 - a. Provide details including a description of the raw material imported, the supplier and country of origin.
 - b. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
 - c. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
 - d. Are you eligible for a duty drawback? If yes, provide details.
No material imported from other countries.
8. Do you, or a business associated with you, sell any of the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods? No. All materials are used to produced finished products.
 - a. Please provide a description of the raw material or semi-processed goods which are sold, including whether they are domestic or export transactions, to related or unrelated parties, and how the selling price is determined.
 - b. If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.

SECTION I DOMESTIC MARKET

I-1 Prevailing conditions of competition in the domestic market

1. Describe the domestic market for the goods and the prevailing conditions of competition within the market, including:
 - (a) Provide an overall description of the domestic market which explains its main characteristics and trends over the past five years - Similar to the Australian market, there are a range of suppliers and customers in the Chinese steel pallet racking market. Customs logistics companies, wholesalers and retailers. Trends over the past five years have been that
 - the e-commerce industry has risen rapidly in the Chinese market,
 - Automated Storage System have also arisen quickly. A number of expensive warehouses have been built in the past 5 years with the function automatic sorting and storage, through computer end control and robot operation. These types of warehouses have high levels of efficiency and convenience.
 - (b) Provide the sources of demand for the goods in the domestic market, including the categories of customers, users or consumers of the product Demand is driven by the level of economic activity and capital investment. Demand has increased due to the rise of ecommerce and the logistics needs of ecommerce companies.
 - (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b) We do not record our sales data by the category of end use of customs and cannot reliably answer this question.
 - (d) Describe the factors that influence consumption/demand variability in the domestic market, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production
 - The level of economic growth and consumer demand is the biggest factor
 - Technology change and the move to greater levels of ecommerce
 - The cost of materials and how this impacts the cost of steel pallet racking
 - (e) Describe any market segmentations in the domestic market; such as geographic or product segmentations The market segmentation is based on the type of product rather than geography. For instance, the different products include gondola shelving, warehousing rack, display props. etc.

- (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e)



[Details of supplies by percentage of revenue]

- (g) Describe the way in which domestically produced goods and imported goods compete in the domestic market *As for pallet racking area, it seems to us that there is little to no imported goods. Some storage auxiliary equipment, such as robotics, may be imported from other countries. However, the products supplied in the domestic industry are primarily made in China.*
- (h) Describe the ways that the goods are marketed and distributed in the domestic market and



[Details of marketing by Shanghong]

- (i) Describe any other factors that are relevant to characteristics or influences on the domestic market for the goods. *None.*

Provide documentary evidence to support the responses made to questions 1(a) to (i).

Please refer to J-3-Q1, I-3-Q10(J).

2. Provide a diagram which describes the domestic market structure for the goods, ensuring that all categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the domestic market.



[Details of Shanghong's knowledge of the Chinese domestic market] *Please refer to I-1-Q2*

3. Describe the commercially significant market participants in the domestic market for the goods at each level of trade over the investigation period. Include in your description:
- names of the participants
 - the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.)
 - a description of the degree of integration (either vertical or horizontal) for each market participant and
 - an estimation of the market share of each participant.



[Detail on Shanghong's understanding of the Chinese market]

4. Identify the names of commercially significant importers in the domestic market for the goods over the investigation period and estimate their market share. Specify the country each importer imports from and their level of trade in the domestic market, if known.

No imported goods.

5. Describe the regulatory framework of the domestic market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.
No restrictions that are unique to steel pallet racking in China for new participants, as long as they do meet business registration and tax compliance requirements.
6. Describe any entry restrictions for new participants into the domestic market for the goods. Your response could include information on:
- resource ownership
 - patents and copyrights
 - licenses
 - barriers to entry
 - import restrictions and
 - government regulations(including the effect of those government regulations).
No restrictions in China for new participants that is unique to steel pallet racking, as long as they meet the business registration and tax compliance requirements.
- In responding to question 6 ensure that relevant regulations are referenced.*

I-2 Goods in the domestic market

1. Generally describe the range of goods offered for sale in the domestic market. The description should include all like goods, including those produced by your company. Your description could include information about:
- quality differences
 - price differences
 - supply/availability differences
 - technical support differences
 - the prevalence of private labels/customer brands
 - the prevalence of generic or plain labels
 - the prevalence of premium labels and
 - product segmentation.

[Discussion of Shanghong's view of the Chinese and Australian markets and the extent to which their customer's determine the product range]

2. Describe the end uses of the goods in the domestic market from all sources.
Pallet racking is primarily used for the storing of palletised cargo. Components of pallet racking (beams, uprights and bracing) can also be used for structures that store other types of cargo, such as store shelving. Components described as parts are used as fixings or connectors for pallet racking. We also supply a variety of accessories for displaying retail products on store shelving.
3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the domestic market. Rank these preferences or purchasing influencers in order of importance.

[Detail of Shanghong view of factor's that influence customer decisions]

4. Identify if there are any commercially significant market substitutes in the domestic market for the goods.
Automated Storage System are already widely applied in the China market. This system is also made by steel. But from the point of view of saving non-renewable resources, we may find some new material instead of steel in the future. However, this is not urgent and we expect that steel pallet racking will lead the whole market for a very long time.
5. Have there been any changes in market or consumer preferences in the domestic market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

[Discussion of Shanghong view of the Chinese market and significant changes]

I-3 Relationship between price and cost in the domestic market

1. Describe the importance of the domestic market to your company's operations. In your response describe:
 - (a) The proportion of your company's sales revenue derived from sales of the goods in the domestic market and approx. █%.
 - (b) The proportion of your company's profit derived from sales of the goods in the domestic market. approx. █%

In responding to question 1 please provide evidence supporting calculations. Please refer to attached J-3-Q1

2. Is your organisation/business entity the price leader for the goods in the domestic market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

[Details regarding domestic pricing]

3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in the domestic market. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

[Detail regarding product pricing strategy]

4. Explain the process for how the selling prices of the goods for the domestic market by your business are determined. Provide copies of internal documents which support how pricing is determined.

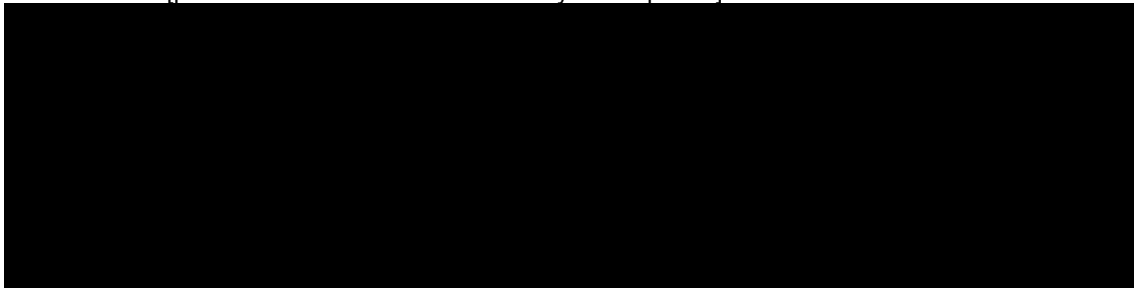
[Details on how pricing is set]

5. How frequently are your domestic selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.

[Detail on how domestic pricing is set]

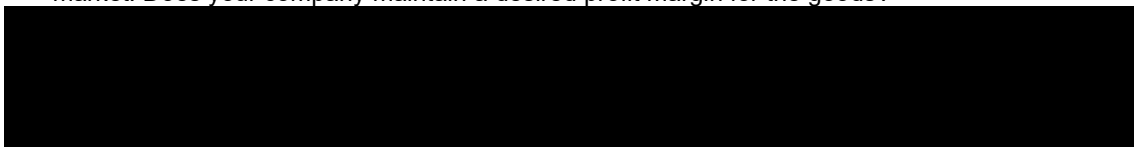
6. Rank the following factors in terms of their influence on your pricing decisions in the domestic market, with the most important factor ranked first and the least important factor ranked last:
 - Competitors' prices
 - Purchase price of raw materials
 - Cost to make and sell the goods
 - Level of inventory
 - Value of the order
 - Volume of the order

- Value of forward orders
- Volume of forward orders
- Customer relationship management
- Supplier relationship management
- Desired profit
- Brand attributes
- Other [please define what this factor is in your response]



[Ranking of the above factors]

7. Describe the relationship between selling price and costs to make and sell in the domestic market. Does your company maintain a desired profit margin for the goods?



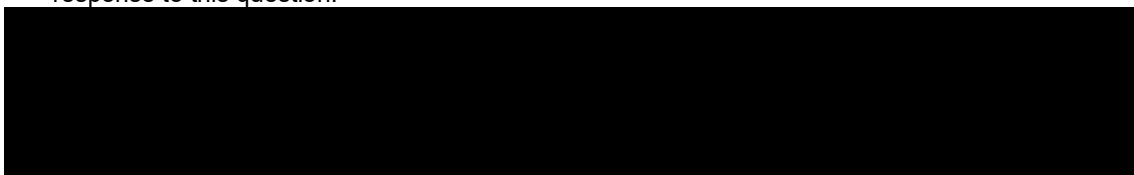
[Detail of pricing of goods]

8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances or credit notes) in the domestic market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.



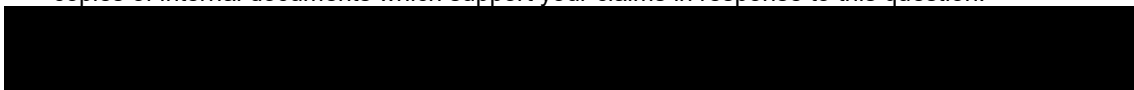
[Detail on discounts and price reduction]

9. Do you offer bundled pricing in the domestic market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.



[Details on bundled pricing]

10. Does the volume of sales to a customer or the size of an order influence your selling price in the domestic market? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.



[Detail on the relationship between pricing and volume]

11. Does your organisation/business entity use sales contracts in the domestic market? If yes:Yes

- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales? Tax inspection in China is very strict, tax cheats can be fined heavily if they are found out. To assure tax compliance, we asked all sales have a corresponding contract or customer purchase order. As such, all sales are evidenced by some form of contract.
- (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts? No,
- (c) How frequently are sales contracts renegotiated?

[REDACTED]

[Detail on contractual negotiation]

- (d) How frequently are price reviews conducted between contracts?

[REDACTED]

[Detail on price reviews]

- (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.

[REDACTED]

[Detail on price reviews]

- (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?

[REDACTED]

[Detail on price reviews following a change in material costs]

- (g) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue. Provide a complete translation of the documents.

[REDACTED]

[List of customers using contracts]

- 12. Provide copies of any price lists for the goods used in the domestic market during the investigation period. If you do not use price lists, describe the transparency of your prices in the domestic market.

Please refer to I-3-Q3 as an example of a price list provided to a particular customer.

[REDACTED]

[Detail on the use of price lists]

- 13. How do you differentiate pricing for different products/models of the goods in the domestic market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products. Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.

[REDACTED]

[Detail on how pricing is set]

- 14. Do you tier or segment your domestic customers for the goods in terms of pricing? Yes If yes, provide:

- (a) a general description of how this is done – [Detail of pricing based on category of sale]
- (b) list the factors that influence pricing differentiation in different tiers or segments and - [List of factors that influence pricing]
- (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

[REDACTED]

[Redacted]
[Relationship between pricing and changes in the costs to produce goods]

Provide copies of internal documents which support your claims in response to this question.

Please refer to I-3-Q3 and I-3-Q8 as examples of approach taken to customer pricing.

15. Do you sell the goods to related entities in the domestic market? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide a copy of any internal document relevant to establishing pricing to related parties. No.

I-4 Marketing and sales support in the domestic market

1. How does your company market the goods in the domestic market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).

[Redacted]
[Detail of marketing activities by Shanghong]

2. Does your company conduct brand segmentation in the domestic market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

No

3. Provide examples of your domestic advertising of the goods over the past five years. If you have not used advertising provide examples of any other promotion campaigns for the goods you have conducted over the investigation period.

[Redacted]
[Details of marketing activities by Shanghong]

4. How many people are in your domestic market sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

There are approx. [Redacted] people in the domestic sales team. The marketing center headquarters is located in Shanghai. Other branch offices includes Beijing, Shenzhen, Hangzhou, Wuhan and Zhongshan.

Sales remuneration depends [Redacted] [factors that affect salaries] please refer to attached I-4-Q4.

5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

[Redacted]
[Details on how product prices are set]

SECTION J AUSTRALIAN MARKET

J-1 Prevailing conditions of competition in the Australian market

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:

- (a) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years

[Redacted]
[Details of Shanghong's knowledge of the Australian market]

- (b) Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product For our customers [type of customer] demand comes from the opening of new stores or warehousing facilities.
- (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b) Not applicable as there is only one source of demand.
- (d) Describe the factors that influence consumption/demand variability in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production In terms of supply from China, the Government's decision to impose high dumping duties heavily influenced demand. Aside from this, if economic growth is strong, more stores and warehouses will open which will increase the need for racking and accessories. Separately, the greater the move to ecommerce sales, the greater proportion of goods will be stored in warehouses than retail stores. This can shift demand from store shelving and accessories to traditional pallet racking.
- (e) Describe any market segmentations in Australia; such as geographic or product segmentations The only market segmentation we are aware of is retail stores versus logistics warehouses.
- (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e)

[Redacted]
[Detail on the recording of sales revenue]

- (g) Describe the way in which Australian manufactured and other imported goods compete in the Australian market From our perspective, Australian made steel pallet racking and international steel pallet racking compete equally (other than the imposition of dumping duties). In respect of accessories, we are not aware of Australian made competition.
- (h) Describe the ways that the goods are marketed and distributed in the Australian market and

[Redacted]
[Discussion regarding Shanghong marketing activities in Australia]

- (i) Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia. Not applicable.

Provide documentary evidence to support the responses made to questions 1(a) to (i).

2. Provide a diagram which describes the Australian market structure for the goods, ensuring that all the categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the Australian market.

[Redacted]
[Detail of Shanghong knowledge of the Australian market]

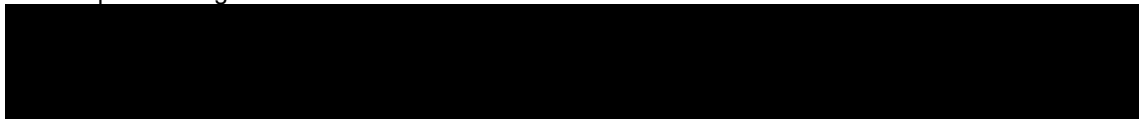
3. Describe the commercially significant market participants in the Australian market for the goods at each level of trade over the investigation period. Include in your description:

- names of the participants We are only aware of the participants mentioned in the previous ADC investigation. [We are not able to add information beyond that already held by the ADC.](#)
 - the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.) [As above.](#)
 - a description of the degree of integration (either vertical or horizontal) for each market participant and [As above.](#)
 - an estimation of the market share of each participant. [As above.](#)
4. Identify the names of commercially significant importers in the Australian market for the goods over the investigation period and estimate their market share. Specify the country each importer imports from and their level of trade in the Australian market, if known. [We do not know the names and market shares of the Australian importers. We are aware of our customers which are detailed in other sections of this questionnaire. While we could speculate as to the identify of other Australian purchasers of steel pallet racking, we have no way of knowing who imports goods compare to who obtains the goods from domestic suppliers.](#)
5. Describe the regulatory framework of the Australian market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available. [The main regulatory framework that is unique to steel pallet racking is dumping duties. The other item that is unique to steel pallet racking is the applicable Australian standard that is mentioned in the goods description.](#)
6. Describe any entry restrictions for new participants into the Australian market for the goods. Your response could include information on:
- resource ownership
 - patents and copyrights
 - licenses
 - barriers to entry
 - import restrictions and
 - government regulations (including the effect of those government regulations).

In responding to question 6 ensure that relevant regulations are referenced.

[We are not aware if any barriers to entry that are unique to suppliers or producers of steel pallet racking.](#)

J-2 Goods in the Australian market

1. Generally describe the range of the goods offered for sale in the Australian market. The description should include all goods under consideration including those produced by your company. Your description could include information about:
- quality differences
 - price differences
 - supply/availability differences
 - technical support differences
 - the prevalence of private labels/customer brands
 - the prevalence of generic or plain labels
 - the prevalence of premium labels and
 - product segmentation.
- 

[\[Detail of Shanghong's view of the different goods in the Australian market\]](#)

2. Describe the end uses of the goods in the Australian market from all sources. [Pallet racking is primarily used for the storing of palletised cargo. Components of pallet racking \(beams, uprights and bracing\) can also be used for structures that store other types of cargo, such as store shelving. Components described as parts are used as fixings or connectors for pallet racking. We also supply a variety of accessories for displaying retail products on store shelving.](#)

3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Australian market. Rank these preferences or purchasing influencers in order of importance.

[Detail of Shanghong's view of what influences customer decision]

4. Identify if there are any commercially significant market substitutes in the Australian market for the goods.

[Details of market substitutes]

5. Identify if there are any commercially significant market complements in the Australian market for the goods.

Light weight storage rack or long span shelving.

6. Have there been any changes in market or consumer preferences in the Australian market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

E-commerce consumption model is developing and increasing during the epidemic period. This increases demand for steel pallet racking as more goods are stored in 3PL warehouses.

J-3 Relationship between price and cost in Australia

1. Describe the importance of the Australian market to your company's operations. In your response describe:
 - (a) The proportion of your company's sales revenue derived from sales of the goods in Australia and
 - (b) The proportion of your company's profit derived from sales of the goods in Australia.

In responding to question 1 please provide evidence supporting calculations.

[Detail of profitability of Australian sales]

2. Is your organisation/business entity the price leader for the goods in the Australian market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

[Detail of Shanghong understanding of competitor pricing and its own pricing]

3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in Australia. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

[Detail of Shanghong pricing]

4. Explain the process for how the selling prices of the goods for the Australian market by your business are determined. Provide copies of internal documents which support how pricing is determined.

[Detail on the setting of prices]

5. How frequently are your Australian selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.

[Detail on the setting and reviewing of prices]

6. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:
- Competitors' prices
 - Purchase price of raw materials
 - Cost to make and sell the goods
 - Level of inventory
 - Value of the order
 - Volume of the order
 - Value of forward orders
 - Volume of forward orders
 - Customer relationship management
 - Supplier relationship management
 - Desired profit
 - Brand attributes
 - Other [please define what this factor is in your response]

[Ranking of above factors]

7. Describe the relationship between selling price and costs to make and sell in the Australian market. Does your company maintain a desired profit margin for the goods? If not, does your company seek to maintain a desired profit margin for the goods? Provide copies of internal documents which support your response to this question.

[Relationship between setting of Shanghong price and Shanghong cost to make]

8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances or credit notes) in the Australian market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.

[Detail of price reductions]

9. Do you offer bundled pricing in the Australian market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.

[Detail of bundled pricing]

10. Does the volume of sales to a customer or the size of an order influence the selling price? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

[Relationship between volume of goods and pricing]

11. Does your organisation/business entity use sales contracts in the Australian market? If yes:

[Detail of type of contracts used]

- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales? [Details of use of contracts]
Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts? No.

- (b) How frequently are sales contracts renegotiated?

[Detail of contractual negotiations] How frequently are price reviews conducted between contracts? As above

- (c) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review. [Detail of contract price reviews]
(d) Do changes in your costs to make and sell enable you to review prices for customers within contracts?

[Detail of price changes]

Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue.

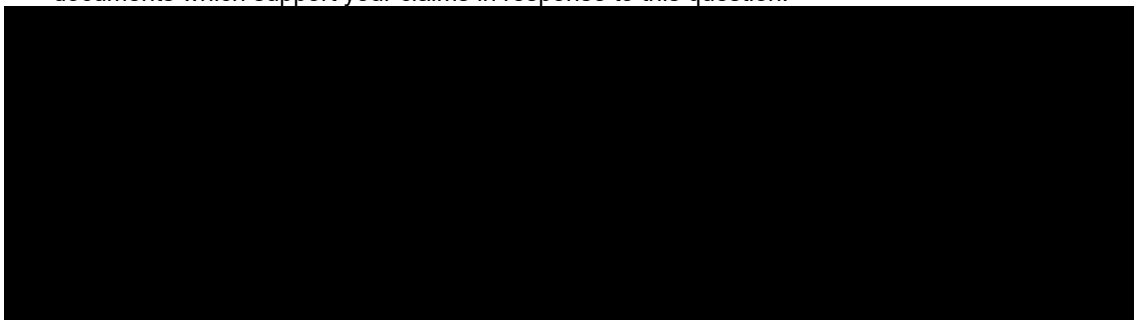
[Detail regarding customers and use of contracts]

12. Provide copies of any price lists for the goods used in the Australian market during the investigation period. If you do not use price lists, describe the transparency of your prices in the Australian market.

[Detail of use of price lists]

13. How do you differentiate pricing for different products/models of the goods in the Australian market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products.

Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.



[Detail of relationship between pricing, cost of material and different products]

14. Do you tier or segment your Australian customers for the goods in terms of pricing? If yes, provide:
- (a) a general description of how this is done
 - (b) list the factors that influence pricing differentiation in different tiers or segments and
 - (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.



[Detail of price setting for Australia]

Provide copies of internal documents which support your claims in response to this question.

15. Do you sell the goods to related entities in Australia? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide copies of any internal documents relevant to establishing pricing to related parties.

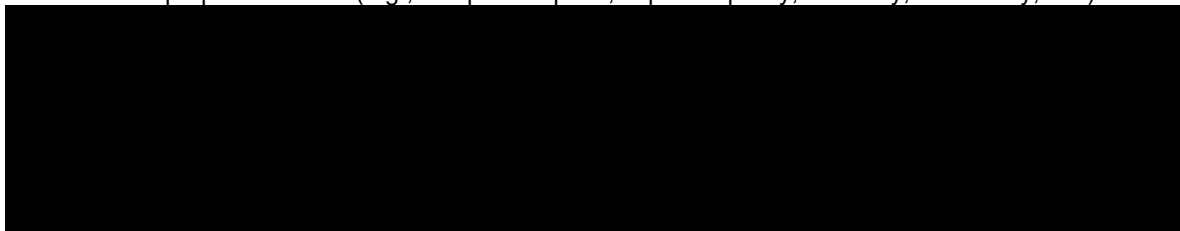
Products are sold to Yuhua and Yuhua sells the products to Australian customers. Yuhua does sell a small amount of goods to the related company CH Racking Australia Pty Ltd.



[Detail of pricing to CH Racking]

J-4 Marketing and sales support in the Australian market

1. How does your company market the goods in the Australian market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).



[Detail of marketing in Australia]

2. Does your company conduct brand segmentation in the Australian market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

No, there is only the one brand of our products. However, usually our products are made to our customer's unique requirements. As such, our brand is not apparent.

3. Provide examples of your Australian advertising of the goods over the past five years. If you have not used advertising in Australia, provide examples of any other promotion campaigns you have conducted over the investigation period.

[REDACTED]

[Detail of Australian advertising]

4. How many people are in your Australian sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

[REDACTED] sales staff in CH Racking in Melbourne, [REDACTED] sales staff in China. Sales remuneration depends on [REDACTED]

[REDACTED]

[detail on the setting of salaries]

5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

[REDACTED]

[Details regarding pricing decisions made by sales staff]

EXPORTER'S DECLARATION

I hereby declare that.....Zhejiang Shanghong Shelf Co., Ltd.....(company) have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name :.....

Signature :.....

Position in Company :.....Sales Manager.....

Date :.....

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 seller's 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) 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.