PUBLIC RECORD

PUBLIC FILE 80

Australian Government

Australian Customs and Border Protection Service

INVESTIGATION INTO THE ALLEGED DUMPING AND SUBSIDISATION OF ALUMINIUM ROAD WHEELS

FROM

THE PEOPLE'S REPUBLIC OF CHINA

VISIT REPORT

Ningbo Pilotdoer WHEEL CO LTD

THIS REPORT AND VIEWS OR RECOMMENDATONS CONTAINED THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT CUSTOMS AND BORDER PROTECTION'S FINAL POSITION

11 April 2012

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2 BACKGROUND

2.1 Introduction

The Australian Customs and Border Protection Service (Customs and Border Protection) initiated an investigation on 7 November 2011 following an application lodged by Arrowcrest Group Pty Ltd on behalf of the Australian industry producing aluminium road wheels[1].

The application requested the publication of dumping and countervailing duty notices in respect of aluminium road wheels exported to Australia from the People's Republic of China (China). The application alleges that the goods have been exported from China to Australia at prices less than their normal value, that countervailable subsidies have been received in respect of the goods exported from China to Australia and that the dumping and subsidisation has caused material injury to the Australian industry through:

- lost sales volume;
- lost market share;
- lost revenues;
- price undercutting;
- price suppression;
- price depression;
- lost profits and profitability;
- reduced return on investment;
- reduced employment; and
- reduced re-investment in the industry.

The non-confidential version of the application, made available on the public record, contains the basis of the alleged dumping and subsidisation. An Australian Customs Dumping Notice (ACDN) advising initiation of this investigation was published in *The Australian* newspaper on 7 November 2011 (ACDN 2011/54). This was the first investigation initiated for aluminium road wheels from China.

Customs and Border Protection notified that the investigation period was 1 July 2010 to 30 June 2011. Customs and Border Protection will examine exports to Australia of aluminium road wheels during that period to determine whether dumping and subsidisation has occurred. Customs and Border Protection also notified that it would examine details of the Australian market from 1 July 2006 for injury analysis purposes.

Customs and Border Protection's commercial database indicated that Ningbo Pilotdoer Wheel Co Ltd (Pilotdoer) had supplied aluminium road wheels to Australia during the investigation period. Customs and Border Protection wrote to Pilotdoer and invited it to participate in the investigation by completing an exporter questionnaire. On 4 January 2012, Pilotdoer submitted an exporter questionnaire

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[1] Refer to the full description of the goods in section 4.1

response (REQ). Customs and Border Protection examined the response and considered that verification was warranted.

2.2 Purpose of visit

The purpose of the visit was to verify information contained in the exporter questionnaire submitted on 4 January 2012.

The submission comprised background to the company's activities, details of exports to Australia, domestic sales, normal values and cost of production. The submission was supported by attachments.

We advised Pilotdoer that verified information would be used to make preliminary assessments of:

- like goods;
- who is the exporter and who is the importer;
- export prices;
- normal values; and
- dumping margins

2.3 Interview – dates and persons present

The interview took place at

Ningbo Pilotdoer Wheel Co Ltd
Dajiahe Industrial Zone Ningbo.
Zhejiang province
THE PEOPLE'S REPUBLIC OF CHINA
Telephone: 0011 86 574 651 53333
Fax: 0011 86 574 651 53366

The following were present at various stages of the interview:

Dates:	22, 23, 24, 27 February 2012
Pilotdoer	Feijun You, Chairman Steven Cao, Sales manager,
Arthur Law Firm	Andy Wang, Jason Wang, Lawyer
Australian Customs and Border Protection Service	Joanne Reid, Director, Operations 2 Nicole Platt, Manager, Operations 2 Cienna Turpie, Supervisor, Operations 2

Various other personnel of Pilotdoer were called on from time to time to respond to specific queries related to their areas of responsibility.

2.4 Cooperation and preliminary issues

We advised Pilotdoer of the investigation timeframes:

- A preliminary affirmative determination (PAD) may now be made at any time. Provisional measures may be imposed at the time of the PAD or at any time after the PAD has been made. Customs and Border Protection would not make such a determination until it was satisfied that there appears to be, or that it appears there will be, sufficient grounds for the publication of a dumping duty notice.

- A statement of essential facts (SEF) will be placed on the public record by 27 April 2012. The SEF will set out the material findings of fact on which Customs and Border Protection intends to base its recommendations to the Minister. The SEF will invite interested parties to respond, within 20 days, to the issues raised. Submissions received in response to the SEF will be considered when compiling the report and recommendations to the Minister.

- Customs and Border Protection's report to the Minister is due no later than 11 June 2012.

We informed Pilotdoer that anti-dumping and/or countervailing measures may only be imposed where the Minister was satisfied that the goods were dumped and/or subsidised and that the dumped and/or subsidised goods had caused or were threatening to cause material injury to the Australian industry.

Pilotdoer cooperated with the verification of details contained in the exporter questionnaire responses and provided further information when requested. We advised Pilotdoer that all information provided would be treated as confidential unless we were advised otherwise. We advised that:

- our findings and recommendations would be subject to review within the International Trade Remedies Branch;
- should we find that Pilotdoer had exported aluminium road wheels to Australia at dumped prices and we were satisfied that these exports had caused injury to the Australian industry, Customs and Border Protection may make a preliminary affirmative determination and collect securities on future imports of aluminium road wheels from Pilotdoer; and
- should the delegate be satisfied that Pilotdoer had not exported aluminium road wheels to Australia at dumped prices, Customs and Border Protection would be required to terminate the investigation as it applies to Pilotdoer as soon as possible.

We explained our responsibilities in relation to confidentiality. We stated that we would:

- prepare a report of the visit;
- provide Pilotdoer with the draft report to review its accuracy of facts and calculations; and

- following consultation about confidentiality, prepare a report of the visit for the public record.

3 COMPANY INFORMATION

Pilotdoer is a privately owned company producing aluminium road wheels for the export market. It operates from a single factory in Ninghai, Zhejiang Province. The factory was established in 2004. The company is in joint venture with two American companies, which own a total of 30% of Pilotdoer's shares.

We were provided with a copy of the organisation chart showing the various companies related to Pilotdoer and details of their ownership (**confidential attachment GEN 1**).

Pilotdoer identified a related company, Wuhu Pilotdoer Wheel Co Ltd, also known as Wuhu Baode Wheel Co Ltd (Wuhu). Pilotdoer holds 95% of the shares in Wuhu. Wuhu produces aluminium road wheels for the domestic market only, and during the verification we observed a number of sales of aluminium alloy from Wuhu to Pilotdoer, and some sales of finished aluminium road wheels between the two companies. Pilotdoer informed us that Wuhu operated as a separate entity with independent operations and management, and it traded with them at arms length. We informed Pilotdoer that due to the almost wholly owned nature of Wuhi to Pilotdoer, Customs and Border Protection would ordinarily consider the sales and costs information of both companies as relevant to the determination of dumping. Given that we were not provided with the sales and cost information of Wuhu for the purpose of verification we advised Pilotdoer that Wuhu would be subject to the "all other" rate for duties if measures were imposed and it began exporting to Australia. That is, any individual rate of dumping determined for Pilotdoer at the completion of the investigation would only be applicable for goods manufactured and exported by it.

Pilotdoer provided us with an overview of the internal company structure and mapped out each department on an organisation chart (**confidential attachment GEN 2**). The organisation chart identified a number of departments, and listed the workshop, technical, quality control, financial, administrative, purchasing and sales departments as separate areas of the company.

4 GOODS UNDER CONSIDERATION AND LIKE GOODS

4.1 The goods

The goods the subject of the application are aluminium road wheels for passenger motor vehicles, including wheels used for caravans and trailers, in diameters ranging from 13 inches to 22 inches.

For clarification, the goods include finished or semi-finished ARWs whether unpainted, painted, chrome plated, forged or with tyres and exclude aluminium wheels for go-carts and All-Terrain Vehicles.

For further detailed information about the goods, interested parties should refer to ACDN 2011/54.

The goods are classified to tariff sub-heading 8708.70.91 (statistical code 78) in Schedule 3 of the *Customs Tariff Act 1995*.

The rate of duty for the goods from China is 4 per cent.

4.2 Like goods

Subsection 269T(1) defines like goods to mean:

> *Goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.*

Pilotdoer considered that the majority of their manufactured goods are like goods to the goods under consideration, with the exception of wheel sizes which fall outside the scope of the like goods definition.

4.3 The company's products

Pilotdoer manufactures aluminium road wheels in sizes ranging from 12 – 26 inches in diameter. These wheels may have either a chrome, painted or painted and machine faced finish.

Pilotdoer advised it uses product codes to manage individual products. There are many models within each product code that are customised according to the customer's requirements. Pilotdoer provided a table with its questionnaire response that showed the various domestic and exported models by product description, indicating differences between domestic and export models. The table shows that most differences are cosmetic and related to the finish of the wheel. Pilotdoer informed the verification team that the wheels sold domestically and those for export are of identical quality, and that it is an export focussed company. Pilotdoer only made a small volume of domestic sales.

Pilotdoer explained that due to the same cost of raw materials being applied to products produced for the domestic and export markets, there should be no difference in the pricing of the products based on where they are being distributed to. All of Pilotdoer's products are sold to the aftermarket (AM) sector. Wuhu, the related entity, manufactures ARWs for the original equipment market (OEM) sector. Pilotdoer advised that there are no differences in the quality or basic structure of the ARWs manufactured for the two market segments. The only differences lie in the cosmetic finished required by particular customers. They also stated that the wheels produced for each market sector are interchangeable.

4.4 The production process

The production process for ARWs exported to Australia is the same as the production process for aluminium road wheels sold domestically. All ARWs are cast in one piece. However, the company informed us that some wheels exported to third countries are cast in two pieces.

The production process for one-piece ARWs is generally as follows:

1. Melting of purchased alloy A356.2 in a furnace.
2. Casting by either gravity or low pressure methods. Pilotdoer informed the visit team that casting for Australian wheels is typically by gravity.
3. X-ray of cast wheels to check for inconsistencies in the metal.
4. Heat treatment.
5. Machining to refine the shape of the wheel. Any scrap generated during the machining process is recycled by re-melting for use in future wheels.
6. Finishing – wheels may be painted on site, painted then machine finshed, or given a chrome finish. The chrome finish is outsourced to another company.
7. Packing and delivery – each wheel is wrapped individually in protective foam and placed into an individual cardboard box before being loaded onto a truck for delivery directly to the customer or to the port.

4.5 Conclusion

We are satisfied that the aluminium road wheels produced by Pilotdoer for domestic sale in China are like goods to those exported to Australia in terms of subsection 269T(1).

5 SALES TO AUSTRALIA

5.1 General

Pilotdoer began exporting to Australia in 2007 to Mullins Wheels. In 2011 they added a second Australian customer to their distribution list, Versus Luxury Wheels. Pilotdoer understand that Mullins previously manufactured their own aluminium road wheels, but have ceased production and now import all their aluminium road wheels.

5.2 Export sales process

Both of Pilotdoer's Australian customers are distributors.

There is a common price list for both Australian companies, and no discounts, rebates or warranties apply. Pilotdoer advised that product prices may vary depending on the quantity ordered. A larger order would attract a cheaper negotiated price. A copy of the price list for both sales to Australia and the price list for sales to third countries was provided at the visit. **(Confidential attachment SALES 1)**

Orders are placed by submitting an order form to Pilotdoer usually via email, who then arrange for production and shipping. Pilotdoer informed us that the production time is about 45 days from receiving the order to dispatch of the goods, however we observed longer times between placing orders and dispatch of the goods based on invoices we examined. All products are made to order, and the company does not keep an inventory of finished goods. All goods exported to Australia are sold on an FOB basis.

5.2.1 Credit terms

Credit terms for Versus are [redacted]. (confidential commercial terms)

Credit terms for Mullins are [redacted]. (confidential commercial terms)

5.2.2 Packing and delivery

Pilotdoer informed us that packaging for all sales regardless of destination is the same – each wheel face is wrapped in foam and the wheel placed in an individual cardboard box before being packed for inland freight to the port.

Pilotdoer also informed us that delivery terms are always FOB, although we identified an invoice to Versus that indicated delivery terms are CIF. The company explained this was a mistake on the sales documentation, and provided a new version of the invoice indicating FOB terms.

On some occasions the customer's order is part-filled and the customer is only invoiced for what is shipped.

5.3 Pricing

Prices for all products exported to Australia are derived from a price list. This price list is updated periodically, and is used as the basis for all customer orders. There were no changes to prices between 2009 and 2011. A copy of the 2009 and 2011 price lists were provided see **confidential attachment SALES 1**.

The company indicated that the price is based on a formula, and takes into account the cost of inputs, particularly of raw materials. On this basis the pricing basis between the domestic and export markets is the same as raw material costs are the same for both the domestic and export markets.

5.4 Sales verification

5.4.1 Completeness

Pilotdoer provided Appendix A-6 with its questionnaire response. We asked the company to explain how the values in Appendix A-6 reconciled to its management accounts. Pilotdoer explained that to prepare the Appendix A-6 values and volumes for the investigation period, they combined information from their accounting department with information concerning the volumes and product descriptions from the sales department. They also relied on the audited financial statements for 2010 (**confidential attachment EXP 1**) to assist in preparation of Appendix A-6.

The company advised that the values provided in Appendix A-6 were in RMB for domestic sales and USD for export sales to all countries.

5.4.2 Reconciliation of Appendix A-6 to Appendices B-4, D-4 and F-1

The total values in appendices B-4, D-4 and F-1 reconciled with the volumes and values listed in Appendix A-6 for sales of the goods during the investigation period.

As the values provided in Appendix A-6 were in RMB for domestic sales and USD for export sales to all countries, we converted all amounts to RMB and are satisfied that the total turnover of the goods during the investigation period listed in Appendix A-6 is reflective of the amounts listed in appendices B-4, D-4 and F-1, as well as the subtotals for domestic, Australian and third country sales in Appendix A-6.

5.4.3 Verification of Appendices to financial system extracts and audited accounts

<u>General</u>

The verification of export sales to Australia to management and financial accounts necessarily involved also verifying the completeness of the domestic and third party sales, therefore verification of all these items is included in the discussion below.

Company turnover

We reconciled the total company turnover for 2010 in Appendix A-6 to the audited financial statements for 2010 and accompanying notes (see **confidential attachment EXP 1**). We are satisfied that the 2010 turnover values provided in A-6 of the REQ are complete and match the audited financial statement. Pilotdoer advised that the 2011 accounts have not yet been audited.

When we compared the income statement in Appendix A-5 of the REQ to the audited financial statements for 2010, we noticed that Appendix A-5 listed a yearly net profit amount of [redacted], while the audited statement listed [redacted]; a difference of 13%. The additional profit on the audited statements related to 'other operating income.' Pilotdoer explained that other operating income consisted of purchases and sales of aluminium alloy and aluminium road wheels between Pilotdoer and Wuhu, although we still noted a difference of 15% between the net profit from other operations in the audited financial statement and this amount.

We were able to cross match the amounts for gross sales.

Sales of the goods to domestic, Australian and third country customers

The company provided us with an extract from their accounting records itemising all export sales, including those to Australia, for the year 2010, and the first half of 2011 (**confidential attachment EXP 2**). We filtered this list to examine only sales to Australia during 2010 and during the investigation period. We confirmed that all aluminium road wheels exported to Australia were of sizes that are the goods under consideration (GUC), so we did not need to further filter the data. The company also provided an extract from their accounting records itemising all domestic sales for the year 2010, and the first half of 2011 (**confidential attachment EXP 3**).

We matched the values and volumes from **EXP 2** for Australian sales to the values and volumes in Appendix A-6 for the investigation period with some minor differences (1.5% difference in volume, and 0.5% in value) that we do not consider to be material. For the year 2010 however, we found differences of 8% in volume and 11% in value between the two documents. Pilotdoer explained to us that there are two sets of invoices used, which are identical other than the dates recorded on each. One copy of the invoice is used for VAT purposes, the other is kept by the company. They advised that the differences in dates may explain the differences between Appendix A-6 and **EXP2**.

We were also able to match the values and volumes from **EXP 3** for domestic sales to the corresponding values and volumes in Appendix A-6 for the investigation period and for the year 2010 for the both goods under consideration and for all products.

Data for export sales to third countries in **EXP 3** also matched with the volume and value data for the year 2010 contained in Appendix A-6, although we found a variance of 3% for volume and 0.4% for value between the two documents. For the investigation period this difference was 2% and 4% respectively.

We are satisfied that the total sales of the good by Pilotdoer (itemised as domestic, Australian and third country sales) recorded in Appendix A-6 accurately reflect the total sales of the goods by the company for the investigation period.

Based on the information provided, we are satisfied that the goods in Appendix B-4 agree with the information in Appendix A-6, and represent all the company's sales of like goods to Australia, all domestic sales of like goods, and do not include any goods that are not like goods.

5.4.4 Accuracy

We selected 8 invoices from Appendix B-4 and asked the company to provide the following documents in relation to each sale:

- purchase order;
- acceptance of order;
- commercial invoice;
- proof of payment of invoice;
- packing list;
- inland freight to port;
- bill of lading; and
- FOB charges;

The bundle of documents relating to each selected transaction forms **confidential attachment EXP 4**. Pilotdoer informed us that there isn't an acceptance of order document, and provided copies of all other requested documents for all of the 8 invoices.

Using one of the selected transactions as an example, the company showed us how the price list was reflected in the prices on the invoice to each customer.

We matched the details for each selected transaction to the details in Appendix B-4, however we found often that the quantity of aluminium road wheels delivered was substantially fewer than the quantity of aluminium road wheels ordered by the customer. The purchase order did not match the invoice for any of the selected invoices. In some orders, products listed on the invoice were not present on the attached purchase order. When questioned, Pilotdoer reviewed the documentation and provided an alternative purchase order that did include the products listed on the invoice. However the total number of wheels on the revised purchase order still did not match the invoiced amount. Pilotdoer explained that it will not always manufacture and invoice all the items listed on a purchase order at the same time, and that production of any particular model is dependent on their production schedule. Purchase orders may be filled using a number of different invoices and shipments.

We received copies of proof of payment in the form of a bank invoice which contained the customer's account number, which Pilotdoer used to determine who made the payment and enter into their accounting system. Whilst some payment totals did correspond to particular invoice totals, of the selected sample, most payments made were for more than one invoice at a time and were therefore greater than the invoice being examined. On each payment advice, the company noted where a payment was for more than one invoice total. Payments were made within two months of the invoice date.

Based on the information provided we are satisfied that the export sales volume and value in Appendix B-4 are accurate.

5.5 Verification of export related costs

5.5.1 Rebates and commission

Pilotdoer confirmed that there are no rebates or commissions paid in relation to the goods under consideration exported to Australia, and that they do not have a particular sales person responsible for their Australian customers.

5.6 Exporter – preliminary assessment

We consider Pilotdoer to be the exporter of the goods, because Pilotdoer:

- is the manufacturer of the goods;
- owned or previously owned the goods;
- is the principal in the transaction located in the country of export from where the goods were shipped that gave up responsibility by knowingly placing the goods in the hands of a freight forwarder for delivery to Australia; and
- sent the goods for export to Australia and was aware of the ultimate purchaser's identity.

5.7 Importer – preliminary assessment

The importers are Mullins Wheels and Versus Luxury Wheels according to the definition of importer in s. 269T (1). We consider that Mullins Wheels and Versus Luxury Wheels are the respective beneficial owners of the goods at the time of their arrival in Australia, and as such, are the importer of the goods. We note that their names appear as the consignee on the Bills of Lading related to their purchases, that Mullins Wheels and Versus Luxury Wheels are invoiced by Pilotdoer and provide payment to Pilotdoer for the purchase of the goods.

5.8 Arms length

In relation to Pilotdoer's sales of aluminium road wheels to its Australian customers, we found no evidence that:

- there is any consideration payable for or in respect of the goods other than their price; or
- the buyer, will, subsequent to the purchase or sale, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

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5.9 Export price

Based on the information obtained at the visit we consider that:

- The goods have been purchased by the importer from the exporter;
- The transaction between the importer and exporter was arms length; and
- The goods were subsequently sold by the importer in the same condition to customers in arms length transactions.

We consider that export price can be calculated under s269TAB(1)(a). Specifically, we consider that export price can be calculated by reference to the invoice from Pilotdoer to the Australian customer.

Export price calculations are at **confidential appendix 1**.

6 COST TO MAKE & SELL

6.1 Introduction

The company advised that its production costs are based on actual, not standard, costs.

We were given a tour of the factory and observed equipment for manufacture, painting and packaging of the goods. Pilotdoer informed us that chrome finishing of wheels is outsourced and performed off-site. The company advised that it runs 3 shifts per day and operates twenty four hours per day, 7 days per week for casting and machining operations, with one painting shift per day. Pilotdoer informed us that approximately 230 staff work in the factory.

At the time of the verification visit no casting was observed as all low pressure casting machines were not operational. Pilotdoer advised that all die cast machines had just been serviced and were not yet operational.

6.2 Verification of cost data

6.2.1 Reconciliation to financial statements

The company provided a completed Appendix A-5 with its exporter questionnaire response. We attempted to reconcile a financial system extract (the 'balance statement') with the 2010 audited financial statements, but were unable to do so. The balance statement (**confidential attachment CTMS 1**) contained profit and loss information and the balances of all first level account codes for the period January to December 2010.

We were unable to reconcile Appendix A-5 to the audited accounts, however the difference between them was less than 1%.

We requested the detailed CTMS worksheets for August 2010 and March 2011 (**confidential attachment CTMS 2**). Pilotdoer provided a worksheet that showed how they allocated costs to each size of wheel. To verify the costs, we selected wheel sizes 16" x 7" and 16" x 8" to focus our verification.

6.2.2 Production costs

We asked the company to demonstrate how the quantities in the CTMS spreadsheets were calculated. Pilotdoer informed us that production costs are based on sales quantity, and provided us with an income statement (**confidential attachment CTMS 3**) for the selected months.

6.2.3 Production volume

The company explained that factory staff manually record production volumes onto vouchers, which they submit to the accounting staff for data entry into the financial system each month. We collected copies of the vouchers for August 2010 and March 2011 (**confidential attachment CTMS 4**). We were able to cross check the production volumes for August 2010 and March 2011. However, we noticed that some volumes included in the March 2011 total were recorded on production vouchers dated April 2011. The company offered the explanation that whilst the sale was confirmed with the relevant customer, the loading was postponed, hence the April dated voucher. The company was unable to explain why the delay in loading occurred.

Pilotdoer stated that the volumes recorded on the vouchers (**CTMS 4**) represent the quantity of goods that have been finished and left the warehouse, and not the quantity cast but unfinished, or any wheels found defective. As a result, in Pilotdoer's records, sales quantity does not equal production quantity. The company provided to us a high level summary of the total goods leaving the factory by month (**confidential attachment CTMS 5**).

The company also provided us with additional production quantity records for August and March showing the quantity of wheels cast, including defective products (**confidential attachment CTMS 6**).

6.2.4 Cost to make

Pilotdoer explained that the source of information provided in their exporter questionnaire response in relation to costs was drawn from different sources within the company structure. Raw materials information was provided from the warehouse department.

6.2.5 Aluminium suppliers

The company informed us that they only purchase aluminium alloy, and that during the investigation period they had two suppliers of aluminium alloy. We examined the contracts for supply (**confidential attachment CTMS 7**) and identified the suppliers of aluminium. The first supplier is an external supplier, Zhejiang East China Alloy Aluminium Co Ltd, and the second supplier is a related entity, Wuhu Pilotdoer Wheel Co Ltd.

Pilotdoer explained that they arrange supply of aluminium in the following way:

- they look on the internet to identify potential suppliers,
- they then contact the suppliers who in turn send a sales person with samples to Pilotdoer's premises,
- the terms and conditions of supply are discussed by the relevant managers over the phone,
- once terms are agreed a contract for supply is prepared and signed by both parties.

We noticed that over the course of the investigation period, Pilotdoer first purchased aluminium only from Zhejiang East China Alloy Aluminium Co Ltd in the months July 2010 to January 2011, but then switched suppliers to Wuhu Pilotdoer Wheel Co Ltd.

Wuhu do not produce the aluminium, but rather on-sell from the Shandong Branch of the Aluminium Corporation of China (Shandong Branch). They explained that a Shandong Branch representative had approached them at a trade show and offered Pilotdoer what they considered better terms for a superior product. As a related entity, Wuhu Pilotdoer also began using this supplier as a result of the offer made to Pilotdoer.

The company explained that due to Wuhu Pilotdoer's physical proximity to the supplier, Pilotdoer began placing orders through Wuhu Pilotdoer to Shandong Branch because delivery was more efficient coming from Wuhu than directly from the supplier.

A further explanation given to us for the change in supplier was that Wuhu Pilotdoer are able to deliver the aluminium to Pilotdoer more quickly than Shandong Branch is able to, because they are able to stockpile sufficient amounts for Pilotdoer's needs and delivery them promptly.

Pilotdoer returned to purchasing aluminium from their original supplier, Zhejiang East China Alloy Aluminium Co Ltd in June 2011 after further negotiations with that supplier.

6.2.6 Aluminium contracts

We reviewed the contracts for both suppliers. The Zhejiang East China Alloy Aluminium Co Ltd provided a contract for supply from [redacted]. The contract was for [redacted] tonnes per month, [redacted] tonnes to be delivered to Pilotdoer and [redacted] tonnes to be delivered to Wuhu Pilotdoer. The price is determined by the average price listed on the Shanghai Yangtze River Non-Ferrous Metals Spot Exchange on the day of despatch, with a processing charge added of RMB [redacted] per tonne, including delivery to Pilotdoer. The price for Wuhu was based on the same exchange rate, but with a processing charge of RMB [redacted] excluding delivery. (confidential contract terms)

When aluminium is purchased an invoice is not issued immediately. Both parties confirm aluminium prices online and manually calculate the applicable processing fee. Pilotdoer then prepares a confirmation letter based on the prices obtained from the internet. After the shipment is delivered, the supplier contacts Pilotdoer by phone to confirm the price of the shipment delivered. The process for deliveries from each supplier is the same. Prices are only confirmed by phone after delivery.

Payment terms are three months from the date of invoice, and require a bank acceptance bill. The company advised that Pilotdoer and Wuhu are invoiced separately by Zhejiang East China Alloy Aluminium Co Ltd. We were provided a copy of an invoice for Zhejiang East China Alloy Aluminium Co Ltd, (**confidential attachment CTMS 8**). The quantity and value matched the amounts in the company's questionnaire response. We were also provided a proof of payment (**confidential attachment CTMS 9**), in which we noted that Pilotdoer did not pay the total amount due, but instead a rounded down number. We asked to see the accounts payable ledger for Zhejiang East China Alloy Aluminium Co Ltd (**confidential attachment CTMS 10**) and found that it matched both the invoice

(**CTMS 8**) and the proof of payment (**CTMS 9**). We observed that Pilotdoer regularly pays Zhejiang East China Alloy Aluminium Co Ltd rounded amounts that are not the amount recorded on the invoice, however we are generally satisfied that Pilotdoer pay the amounts they have been invoiced over time.

We also reviewed the contract for supply with Wuhu. The period of the contract was [redacted], with provision for extension. The contract was for [redacted] tonnes per month, with a +/- 10% delivery variance. The price is determined by the average price listed on the Shanghai Yangtze River Non-Ferrous Metals Spot Exchange on the day of despatch, with a processing charge added of RMB [redacted] per tonne. Payment is by cash. Freight is not included in the contract, as it is in a separate delivery contract between Pilotdoer and Wuhu. (confidential contract terms)

The company informed us that in practice it does not pay Wuhu cash, rather the amounts are recorded in an accounts payable ledger. We were provided with a copy of the ledger for the period January to June 2011(**confidential attachment CTMS 11**). We were able to cross match the invoice provided (**CTMS 8**) to the ledger. We observed no payments being made by Pilotdoer to Wuhu during the investigation period. The balance payable at 30 June 2011 was RMB [redacted].

We were unable to cross match the price of aluminium purchases provided in Pilotdoer's exporter questionnaire response with the aluminium purchase invoices for the month of August 2010. The company explained this would be due to the inclusion of processing fees and freight on the invoice, however, the same figures examined for March 2011 did match. When asked why one month matched whilst the other did not the company explained that sometimes a supplier will issue another invoice for the processing fee amount separately for tax avoidance purposes. By charging the amounts separately different percentages of VAT can be applied to raw materials versus the processing fee.

Overall, we were not satisfied with the company's explanations about the differences between the exporter questionnaire response and the invoices. We also could not be satisfied that the purchase of aluminium from Wuhu was at an arms' length price as we do not have evidence of Wuhu's purchase price from the manufacturer. In addition it appears that Pilotoder did not physically pay for any of the aluminium purchased from Wuhu during the investigation period, but rather accrued the cost to a loan account.

We also asked the company to provide a complete listing of aluminium purchases from its financial records to verify the completeness of the purchase information provided. The company failed to provide this information.

6.2.7 Aluminium costs

Pilotdoer calculated the cost of aluminium for domestic sales and the goods exported to Australia by multiplying the weight of the wheel by the unit price for aluminium.

We asked Pilotdoer how they calculated the wheel weight. The company provided a product weight breakdown record produced by their quality control department (**confidential attachment CTMS 12**). This document showed the weight of each wheel exported to Australia. Pilotdoer added a percentage increase to the wheel weight from this document to account for an amount of melt-loss that occurs in the production process. Evidence of their melt-loss rate was provided (**CTMS 6**) in a document detailing the number of kilograms of aluminium received in each of the selected months, and the number of kilograms of wheels despatched from the casting workshop. In support of the quantity (in kilograms) of wheels completed in the casting workshop for the selected months, a breakdown by wheel size of quantity and unit weights was provided (**CTMS 6**). The unit weights in **CTMS 6** matched the unit weights in **CTMS 12**.

We asked for evidence of the quantity of aluminium used in August. Pilotdoer provided a factory receipt/despatch statement (**confidential attachment CTMS 13**). This statement showed for aluminium ingot:

- the quantity and value at the beginning of the period
- the quantity and value received during the period
- the quantity and value used or despatched during the period
- the closing balance.

The quantity dispatched to the casting workshop on **CTMS 13** did not match the quantity on **CTMS 6** melt-loss calculation worksheet. The company provided an explanation, and in order to satisfy ourselves we requested that the company re-run the report in their financial system while we observed. They were not able to do so. During the process it became apparent that the company had manually created the documents they had provided us, and that their accounting software did not appear to accurately record quantities of aluminium used in any month.

We requested records printed from the accounting system showing the volume and value of aluminium used each month. While the company initially undertook to provide such information to us at the visit it has since advised it is unable to do so due to 'technical difficulties'.

In summary, we cannot be satisfied that the purchase price of aluminium used by Pilotdoer in its CTMS worksheet is based on information that is complete and accurate.

6.2.8 Other materials

Based on the CTMS worksheet, the next highest category of expense after aluminium alloy is the decorative cap. The decorative cap is a covering placed in the centre of certain finished wheels, displaying a particular logo.

Pilotdoer allocated decorative cap costs to all wheel sizes sold to Australia in the sizes 15" – 20". The company advised that 13" and 14" diameter wheels are trailer wheels, and as such do not have decorative caps.

We asked for evidence of the unit cost of decorative caps (claimed RMB 15 was the cost of all caps for all wheel sizes). Pilotdoer provided an average price listing (**confidential attachment CTMS 14**). The price of decorative caps indicated on this documentation ranged from ¥2.99 to ¥11.99, much lower than the cost claimed originally. The company advised that they had used a range of ¥2.99 to ¥28.24 to calculate the unit cost of decorative caps and that was the basis of the RMB 15 cost calculated. We could not locate the upper range unit price cost in the supporting documents provided, however note that the possible outcome of any discrepancy is an overstatement rather than an understatement of costs. We have therefore accepted this cost item as reasonable.

6.2.9 Overheads

The company provided to us the manufacturing costs breakdown ledger for August and March (**confidential attachment CTMS 15**). We matched the data in the ledger to the balance statements produced by the accounting system (**CTMS 1**).

The main overheads recorded in the manufacturing costs breakdown ledger (**CTMS 15**) are wages, electricity, and depreciation and amortization.

The company allocated the manufacturing cost to each wheel size by dividing the total revenue for exports to Australia during the month by total revenue for the month from the income statement (**confidential attachment CTMS 3**). The Australian sales represented 11.3% of total income for the month.

Pilotdoer provided copies of both electricity and gas VAT invoices and vouchers. (**confidential attachment CTMS 20**). Payment of electricity accounts are made for the exact invoiced amount each month. The electricity company collects payment directly from Pilotdoer's bank account so it is always the exact amount. The electricity company is a state owned enterprise.

Pilotdoer pays the gas company rounded amounts with any short fall being made up in subsequent periods. During the investigation period, Pilotdoer changed gas suppliers due to a lower tax rate being offered by their current supplier. They advised that they have the option of swapping suppliers at any time.

<u>**Labour cost**</u>

Pilotdoer provided us a unit labour cost breakdown by wheel size (**CTMS 2**). This breakdown showed the unit labour cost for each process:

- casting
- machining
- heat treatment
- machine finish
- painting

The company explained that factory workers are paid according to the number of wheels they produce in a month. In addition to payment on a quantity of production basis, managers are paid a base salary of RMB [redacted] per month. Labour rates have not changed in the past two years. The workshop director and line managers are on contracts and paid a fixed salary not dependent on output. At the end of each month the production department provides the output figures to the payroll department to calculate wages. Each month the company makes a provision for the estimated wages cost because actual wages are not paid until at least two months later.

We observed that the report provided by Pilotdoer to demonstrate the accuracy of the overhead expense (**confidential attachment CTMS 15**) showed only the entry for the provision of wages expense, but no reversal to account for the actual wages expense for that month or a previous month. The company explained that it only makes an adjustment for the actual expenses at year end, in December. We observed that this results in the monthly expense for labour used in the CTMS worksheets being based on estimated rather than actual costs.

We were provided with a payroll calculation report for August and March (**confidential attachment CTMS 16**). The report shows the total production quantity and labour rate for each wheel and each workshop. The company also provided the payroll ledger for those months (**confidential attachment CTMS 17**). We agreed the total payroll amount of each of these documents (**CTMS 16 to CTMS 17**) for August 2010. However for March 2011, we noted a discrepancy in the amounts. The company explained that workers do not pay income tax until their monthly income exceeds RMB 2000 and that when this occurs the company defers payment of the excess amount until a later month to remain below the threshold.

We attempted to verify the labour rates per wheel in the CTMS summary. For the selected months, August 2010 and March 2011, we were able to match them to the amounts in the labour cost calculations report (**CTMS 16**) for the casting, heat treatment and painting processes, however machine finishing labour rates for 14" and 15" wheels did not reconcile. The company has not provided an answer to why this occurred.

Due to the discrepancy for machine finishing labour rates in the month of March 2011, and the inability of the company to demonstrate how actual costs are reflected in the monthly accounts, we cannot be completely satisfied that the labour cost included in Pilotdoer's CTMS is complete and accurate.

Depreciation

Pilotdoer provided us with a copy of its fixed asset register for the month of August 2010 (**confidential attachment CTMS 18**). This document showed the monthly depreciation expense together with the accumulated depreciation amount to date. We were unable to cross match the amount on this report to the manufacturing overheads breakdown. Pilotdoer advised that a provision for depreciation is recorded each month, however, the actual depreciation expense is not finalised until the year end accounts are prepared, therefore, the asset register reports provided for August 2010 and March 2011 would not be able to be cross referenced to any other report. Whilst the provision for depreciation did not match the asset register depreciation figure exactly, it was reasonably close to the total. We therefore concluded that the amount recorded for depreciation in the manufacturing overheads is reasonably reliable.

Packing

Pilotdoer provided copies of invoices for carton purchases (**confidential attachment CTMS 19**). The purchase price per carton recorded on the itemised list of purchases attached to the invoices was compared to the CTMS summary. The price recorded as per the invoice, whilst slightly less than the average price provided by the company's information, was very close to that recorded in the CTMS summary, i.e. less than ¥1 difference.

6.2.10 SG&A expenses

Pilotdoer informed us that SG&A expenses are allocated on the same basis as overheads, that is, based on the proportion of revenue.

We were able to match the total SG&A costs in the CTMS summary for August and March to their respective income statements (**CTMS 3**).

6.2.11 Conclusion

Due to the issues set out above, we are not satisfied that the cost of raw materials and labour submitted by Pilotdoer in the CTMS spreadsheets provided with the exporter questionnaire reasonably represent the actual cost to make and sell the various types of aluminium road wheels during the investigation period. These costs should be disregarded as unreliable information pursuant to s269TAC(7) of the Act.

7 DOMESTIC SALES

7.1 General

7.1.1 Domestic market

Domestic sales of the GUC represented less than 1% of Pilotdoer's total sales in both volume and value. Pilotdoer advised that it concentrates its manufacturing on goods for exportation, whilst its related company, Wuhu, manufactures for the domestic market. The reason for this is Pilotdoer's close proximity to a port for exportation.

Of the small number of domestic sales recorded, most are to Wuhu to meet specific requests for their products from domestic customers. Pilotdoer sell the wheels to Wuhu who then supply them to the domestic market when required.

7.1.2 Pricing

As explained above Pilotdoer sets its domestic price based on the cost to manufacture as a basis. They explained that the basis for the production of both domestic and export sale ARWs was the same and therefore the sale price between the two markets should not be excessively different. The only time price may differ is when larger quantities of ARWs are ordered; the larger the quantity, the lower the unit price.

7.1.3 Domestic sales process

As with export sales, the customer will provide drawings of the required profile to Pilotdoer prior to production. The die is made and a sample product is produced for the customer to ensure it meets requirements, prior to going into production.

Most customers request delivery from Pilotdoer, although some use their own freight forwarder to pick up the goods from the factory.

Domestic sales are usually wrapped in paper or plastic. They do not require a wooden frame and are layered in the truck for delivery. Some domestic goods that are required to be delivered a long distance from the factory may require additional packaging.

7.2 Domestic sales verification

7.2.1 Completeness

We asked the company to demonstrate how the Appendix A-6 data reconciled to the audited statements. A full discussion of completeness of appendices A-6 and D-4 and verification steps taken is found at section 5.4 above. .

Based on our analysis of the information provided we are satisfied that Pilotdoer's domestic sales recorded in Appendix D-4 include all, and only, domestic sales of the goods under consideration.

7.2.2 Accuracy

We selected 8 transactions from Appendix D-4 and requested the supporting documentation for verification. We asked Pilotdoer to provide for each sales transaction the following documents:

- Purchase order
- Order confirmation
- Commercial invoice
- Evidence of payment
- Inland freight invoice and evidence of payment
- Discount and rebate source documents (where applicable)

The details from the documents matched the details in Appendix D-4.

Based on the information provided we are satisfied that the domestic sales volume and value in Appendix D-4, as amended at the visit, are accurate.

The sales documents form **confidential attachment DOM 1**.

7.3 Volume and suitability of domestic sales

The volume of domestic sales was low, and represented fewer than 5% of sales to Australia. Accordingly, normal value cannot be determined using domestic sales information[2].

Subsection s29TAC(2)(c) states that the normal value is the sum of the cost of production or manufacture in the country of export plus an amount for administrative, general and selling costs associated with the sale, plus profit. Regulation 180 of the *Customs Regulations 1926* sets out the methodology for establishing the cost of manufacture. Regulation 180(2) states that the Minister must work out the amount by using the information set out in the exporter's records (subject to two caveats). However, Regulation 180(6) states that the Minister may disregard any information he considers unreliable.

As set out in sections 6.2.7 and 6.2.9 above, we consider the exporter's information in relation to raw material and labour costs to be unreliable. Accordingly, we recommend the normal value be based on s269TAC(6), having regard to all relevant information.

7.4 Sales by other sellers

We are aware that certain other aluminium road wheels manufacturers based in China that exported the goods to Australia in the investigation period are being visited as part of this investigation. It is possible that the domestic sales by those other sellers could be used as an alternative basis for normal value for Pilotdoer.

[2] s269 TAC (14)

7.5 Domestic sales - summary

Based on the information provided by Pilotdoer, and the verification processes conducted on site, we consider that the normal value should be assessed under s. 269TAC(2)(c), using the cost of manufacture of the goods plus amounts for the SG&A costs assuming those sales had been made in the domestic market, and profit.

Domestic sales and selling prices are summarised at **confidential appendix 3**.

8 THIRD COUNTRY SALES

As we considered that we were in possession of enough verified information from the submission and our visit to calculate normal values using a construction method, we did not undertake verification of the third country data.

9 ADJUSTMENTS

There are no adjustments claimed by Pilotdoer, and we did not identify any differences. The normal value will be constructed at FOB level, so no further adjustments are required.

10 NORMAL VALUE

As set out in section 9 above we consider that normal values can be calculated under s. 269TAC(6).

We recommend other cooperating exporters' cost information be used, in addition to those aspects of Pilotdoer's costs that we were satisfied with, for the purpose of constructing a normal value.

Regulation 181A sets out the methodology for determining a profit when normal value is constructed using s269TAC(2)(c). We are unable to apply Regulation 181A(2) as Pilotdoer's volume of domestic sales is too low to be considered reasonably reflective of domestic sales of like goods. We are unable to apply Regulation 181A(3)(a) for the same reason. We therefore recommend the profit be based on the weighted average of actual amounts realised by other cooperating exporters rom the sale of like goods in the domestic market (Regulation 181A(3)(b).

10.1 Normal value - conclusion

We have recommended Pilotdoer's normal value be based on information from other cooperating exporters. We are unable to calculate a normal value at the time of this report because verification reports for those exporters have not yet been finalised.

11 DUMPING MARGINS

As set out in Section 10, we are unable to calculate a dumping margin at this time.

In any case, the normal values and preliminary dumping margin determined using the recommended methodology may be revised following Customs and Border Protection's assessment and findings on whether the Government of China had materially distorted competitive conditions on the domestic market. In that case, certain costs may be considered to not reasonably reflect competitive market costs associated with the production of like goods for the purposes of constructing a normal value.

12 COUNTERVAILING

12.1 VAT exemptions

In its response to the subsidy questionnaire, Pilotdoer stated that the only program it had benefited from was the exemption of tariff and import VAT for imported technologies and equipment (Program 13). Pilotdoer stated that it had received exemptions during the investigation period amounting to RMB [redacted] for VAT exemptions and RMB [redacted] for tariff exemptions. Pilotdoer provided the relevant supporting documentation for this program with its questionnaire response. (confidential financial information)

12.2 Preferential tax rates

Pilotdoer haven't claimed this subsidy because they have operated at a loss. The program is now closed to new applicants.

12.3 Purchase of aluminium alloy at less than fair value

We asked the company to provide a detailed list of all its purchases of ingot during the investigation period. The list provides the identity of the supplier, which the company advised are all traders rather than producers of the ingot. As discussed earlier in the report, we were provided with copies of invoices for one domestic and one imported purchase of ingot (**confidential attachment CTMS 8**). The price per tonne for the August 2010 invoice cross matched to the aluminium price confirmation letter provided by the supplier, Zhejiang Donghua (**confidential attachment doc CTMS 21**). However the price per tonne for the March 2011 invoice did not match to the confirmation letter supplied by Wuhu (**confidential attachment CTMS 21**).

We were not able to verify the completeness of the listing to Pilotdoer's financial records.

12.4 VAT rebate

Pilotdoer explained the nature of the VAT system in China. They provided copies of VAT invoices for the purchase of Chinese made equipment (**confidential attachment CV 1**) and the corresponding VAT rebate domestic equipment regulations, Chinese version (**confidential attachment CV 2**). They explained that they are provided with a rebate on all Chinese made equipment. To be eligible for this rebate a company at least 25% of the company's shares must be owned by foreign entities.

After a company purchases the equipment they apply to the state tax bureau of Ninghai county to obtain the VAT refund. Each month the company makes a report of any Chinese made equipment it has purchased during the month in order to make the application. Each application is not necessarily granted, the amount refunded is assessed by the tax bureau.

Although the company only said it had received a subsidy from one of the programs named in the questionnaire (Program 31 – exemption of tariff and VAT on imported equipment), we consider the benefit received by Pilotdoer under this program could be pursuant to Program 32 – exemption of VAT on domestically purchased equipment.

12.5 Reduced tax rate for FIE

This was a 2 year tax exemption that Pilotdoer did not utilise, despite being an eligible candidate, because it had carry forward losses from previous years that it used to offset any profits. As this policy has now come to an end and the company did not make a claim under it, it is no longer eligible to do so in the future. Companies that had made previous claims under this policy are eligible make future claims under the program despite the policy now having ceased.

12.6 Exemption of VAT on imported equipment

The exemption only applies to FIEs. After buying equipment from abroad, but before the item is cleared through Customs, the company applies to the Foreign Economic and Trade Bureau of Ningbo for a refund of VAT. If approved, the bureau advises Customs so that the item will then be exempt from tariffs. The company provided copies of the import tariff exemption documentation and corresponding invoice for the imported equipment (**confidential attachment CV 3**)

All Pilotdoer's claims for this exemption have been approved to date. The policy is distributed by the central government, but is administered by the bureau in Ningbo.

12.7 Technical Assist grant

The county finance bureau inspects all factories for their waste water and emissions infrastructure. The government toured all factories to see if the company was engaged in activities to properly deal with waste and emissions. When Pilotdoer established its factory at the current site in 2010 they were provided with advice from the government as to what they should buy and install in order to meet the requirements to obtain this grant. Once the bureau inspects the site, if it concludes the factory is participating in line with the policy then a payment of money is sent to the company. The company does not know how this amount is calculated and does not have to make a separate application to get it.

12.8 Export Subsidy

This subsidy relates to differing levels of credit insurance the company may obtain. If they obtain insurance from a particular insurance company, the insurance company will pay 90% of the amount owed to the company once the credit period has expired. The insurance company investigates any foreign entities regarding their credibility and chases up outstanding payments. If the creditor does pay the amount owed then Pilotdoer is paid the balance of 10% of monies owed to them.

This insurance is not compulsory, if a company takes out this insurance the government grants a subsidy to cover the insurance premium paid by the company.

12.9 S&E Assist (Encouraged industries)

Pilotdoer explained that certain industries are encouraged to develop products. The county government reports to the central government and the local government investigates eligible enterprises. If a company meets the requirements it is paid the subsidy amount. Pilotdoer is classified as being in the "wheels industry" which is an encouraged industry category.

12.10 Technology Assist

This is a subsidy paid to entities that apply energy saving measures in their businesses. Pilotdoer advised that in 2009 it used furnaces that consumed diesel. They now use furnaces that use natural gas to melt aluminium. A company must apply to the Ningbo city government for this subsidy. The government then sends out a person to inspect the premises and if the company is found to have met the requirements, the subsidy is paid to them.

Each time the company obtains new more energy efficient equipment they can apply for this subsidy.

12.11 Environment Subsidy

Once a company reaches a certain size the government recommends that they purchase thermal powered generators to support them in times of power outages. Pilotdoer uses power from the central grid and installation of thermal powered generators acts as a back up power source in times of outages on the grid. The company must make an application to obtain this subsidy and the government then decides the percentage of purchase price of the equipment to pay to the applicant. This subsidy may be applied for each time a new generator is purchased.

12.12 New Products

As with encouraged industries, when a company makes a new product it makes an application for an amount of money to be determined by the government authority. In Pilotdoer's case this may be a new wheel design.

13 GENERAL COMMENTS

There were many inconsistencies in the supporting evidence provided by Pilotdoer at the verification visit. Several figures provided by the company in the exporter questionnaire response were unable to be substantiated. Whilst the company did try to cooperate with the provision of certain information, detailed reports and supporting documentation were not produced for several categories of costs.

We provided the company with further opportunities following our return to Australia to provide the outstanding information, but ultimately it was unable to do so.

14 LIST OF APPENDICES

Confidential appendix 1	Export price summary
Confidential appendix 2	Cost to make and sell
Confidential appendix 3	Domestic sales summary
Confidential appendix 4	Normal value and dumping margin
Confidential attachment GEN 1	Company holding chart
Confidential attachment GEN 2	Organisation internal structure chart
Confidential attachment SALES 1	Price Lists for Australian and third country sales
Confidential attachment EXP 1	Audited financial statements and accompanying notes for the 2010 year
Confidential attachment EXP 2	Australian Sales accounting system extract for Jan 2010 to June 2011
Confidential attachment EXP 3	Domestic Sales accounting system extract for Jan 2010 to June 2011
Confidential attachment EXP 4	Australian Sales selected invoices supporting documentation
Confidential attachment CTMS 1	Balance statement containing P&L info, Jan-Dec 2010
Confidential attachment CTMS 2	CTMS detailed worksheets for the months Aug 2010 and Mar 2011
Confidential attachment CTMS 3	Income Statements for the months Aug 2010 and Mar 2011
Confidential attachment CTMS 4	Production vouchers for Aug 2010 and Mar 2011
Confidential attachment CTMS 5	Total wheel quantity production shipped out of warehouse
Confidential attachment CTMS 6	Melt loss calculations and production volumes
Confidential attachment CTMS 7	Contracts for buying aluminium
Confidential attachment CTMS 8	Aluminium purchase invoices
Confidential attachment CTMS 9	Proof of payment of aluminium invoices
Confidential attachment CTMS 10	Accounts payable ledger – aluminium supplier
Confidential attachment CTMS 11	Accounts payable ledger – Wuhu
Confidential attachment CTMS 12	Production weight breakdown for Aug 2010 and Mar 2011
Confidential attachment CTMS 13	Warehouse dispatch statement August 2010
Confidential attachment CTMS 14	Decorative Cap average price list
Confidential attachment CTMS 15	Manufacturing cost breakdown ledger for Aug 2010 and Mar 2011
Confidential attachment CTMS 16	Labour cost calculations for Aug 2010 and Mar 2011
Confidential attachment CTMS 17	Payroll ledger for Aug 2010
Confidential attachment CTMS 18	Fixed Asset Register as at Aug 2010
Confidential attachment CTMS 19	Carton purchase invoice
Confidential attachment CTMS 20	Electricity and Gas vouchers and invoices
Confidential attachment CTMS 21	Confirmation Letters from aluminium suppliers
Confidential attachment DOM 1	Selected sales documentation
Confidential attachment CV 1	VAT invoice for Chinese made equipment
Confidential attachment CV 2	VAT rebate for domestic equipment regulations
Confidential attachment CV 3	Import tariff exemption doc and invoice for foreign purchased equipment