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Attn: Mr. David Turner

To: Australian Customs and Border Protection Service
International Trade Remedies Branch
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From: Mr. Liu Jianwei

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Date: May 23, 2012

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Subject: Supplemental Comments regarding SEF of dumping and subsidization investigation of ARWs originating from People's Republic of China dated April 27, 2012 by Zhejiang Yueling Co., Ltd.

Non Confidential
By email

Dear Sir,

On May 17, 2012, one day after our client Zhejiang Yueling Co., Ltd. ("Yueling") submitted its comments to the STATEMENT OF ESSENTIAL FACTS NO.181 concerning ALUMINIUM ROAD WHEELS EXPORTED TO AUSTRALIA FROM THE PEOPLE'S REPUBLIC OF CHINA ("SEF"), Customs provides Yueling with a set of confidential calculation spreadsheets ("Yueling Confidential Calculations – Additional", hereinafter refer to as "addition confidential calculations") containing detailed information on the Normal Value calculation, profit calculation and calculations on the subsidies.

Yueling realized that the information contained in these confidential calculation spreadsheets was not available to them before the addition disclosure and some part of this information is fatal in the dumping and countervailing duty determination regarding Yueling, thus it is believed that further supplemental comments on these new information will be important to the investigation:

A. The comments on the calculation of Yueling's profit margin:

Yueling noted that in pivot table titled "Yueling profit" in additional confidential calculations, the total domestic sales for painted wheels is valued RMB [Confidential], which is much less than the total amount of painted wheels sold shown in Yueling's revised Exhibit D-4, domestic sales, the

SEP did not mention and additional confidential calculations did not reveal on what basis a substantial amount of domestic sales were excluded from the profit margin calculations. We assumed that removal may result from an Ordinary Course of Trade test. If that is the case, Yueling respectively requests Customs to make a reasonable disclosure on this important issue, especially the method used and criterion followed by the Customs in making such removal. Yueling would also like to ask Customs to avoid any indifferent removal of each domestic sale with no profit, before Customs ensure that the strict legal requirements for Ordinary Course of Trade test have been followed. Yueling also do not think the [over [Confidential]]% profit margin made by Customs is in line with the Company profit level and the figure cannot reflect the reasonable profit margin can be achieved by a market player in current business competition.

[Value of painted wheels and percentage of profit margin removed]

The above-referred information of value of painted wheels and percentage of profit margin are not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Customs in confidential.

B. The SG&A was inadvertently uplifted in Constructed Normal Value calculation

By reading into the worksheet titled "Uplifted Raw Material Costs" we found that not only the direct raw material cost (aluminum ingots) was uplifted, the SG&A (selling expenses, general and administrative expenses and financial expenses) are also uplift which we see in nowhere of the SEF the Customs has ever indicated such an intention. We believe this was an inadvertent error, because the amount of SG&A expenses were automatically linked with the cost of production, i.e. [Confidential].

[Calculation of cost method removed]

We submit that in worksheet titled "Uplifted Raw Material Costs", SG&A should not be uplifted.

The above information regarding method of calculation of cost is not susceptible to a meaningful non-confidential summary as it is commercially sensitive. Since disclosure of such information will harm the Company's interests, it was provided to the Customs in confidential.

C. The uplift of aluminum price should only be made on aluminum ingot subject to particular market situation, but not on all aluminum purchased

Yueling, by reading into the additional confidential calculations, realized that in uplifting the direct material price, the Customs has uplifted the cost of aluminum ingots from all sources, by using the benchmark prices. However, Yueling believes that the uplift is based on a ruling of PMS which the Company doesn't agree with. But even if the Customs are entitled to conduct such a cost adjustment, Yueling submits that those aluminum ingots from private producers/suppliers should not have been regarded as product subject to PMS, and thus the prices of these private

supplied aluminum ingots should not be uplifted.

D. It's not logically correct to use the original profit level as "reasonable profit" while uplifted the underlying cost of production.

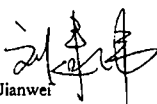
Profit is something directly linked with costs and sale prices, if the sale prices kept unchanged and the cost increased, the profit decreased or there's no profit at all.

Customs uplifted the cost of direct raw material, thus adjusted upwards the overall cost of production but uses the same profit level achieved by Yueling when they costs before the uplift, it is not logically right. This is even true in case of constructed normal value.

Thus, Yueling submits that if an artificial cost of production was established, the profit ratio should also be adjusted to reflect "reasonable profit", as required by relevant law and regulations.

We appreciate your kind consideration of the above comments, and we are more than happy to answer any question you may have.

Yours sincerely


Liu Jianwei