Verification report – Overseas Exporter
Case AD0086: Rutile Titanium Dioxide from China

Period of Investigation (POI):	1 January 2025 – 31 December 2025
Injury Period:	1 January 2022 – 31 December 2025
Date of report:	30 September 2026
Case team contact details:	AD0086@traderemedies.gov.uk
Interested Party verified:	LB Group Co., Ltd

For further details, please see the Notice of initiation on the public file.

Contents

Executive Summary **3**

Purpose of verification **3**

Confidential information **4**

Verification **5**

A. Company structure and associations 5
B. Accounting Systems and Procedures 6
C. Goods 8
D. Costs 9
E. Sales 11
F. Fair Comparison 13

Conclusions **15**

Annexes **16**

Annex 1: Meetings 16

Executive Summary

The Trade Remedies Authority (TRA) is conducting an anti-dumping investigation to determine whether injury is being caused to the UK (titanium dioxide industry) due to dumping of rutile titanium dioxide imported into the United Kingdom (UK) from The People's Republic of China (PRC).

More information about the case can be found on the public files:

AD0086 - Rutile Titanium Dioxide from China

LB Group Co., LTD (LB Group) an exporter of goods concerned, returned a completed, domestic exporter questionnaire ('questionnaire response'). LB Group produces titanium dioxide which it sells domestically as well as exports to the UK and other countries.

The TRA sought to verify the completeness, relevance and accuracy of the information submitted

- We compared questionnaire responses and other accompanying evidence and information to open sources and LB Group's website checking for consistency.
- We conducted a tour of LB Group's production facilities to gain an understanding of production processes and products.
- During on-site verification we also sampled transactional data to source documents and viewed financial data directly from its accounting systems.

Based on the verification activity undertaken the TRA has a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by LB Group and we can use it for the purpose of this investigation.

Purpose of verification

The purpose of the TRA's verification activity is to determine whether the information provided by interested parties is complete, relevant, and accurate and can be used in our investigation. This verification report sets out the conclusions reached for each component part that covers the scope of our work. It also provides an overall conclusion stating the level of assurance reached.

The information verified may then be considered in our assessments and analysis to determine whether dumping has occurred and if this is causing the UK industry. This will form the basis for establishing appropriate measures the measure where necessary, and to assess whether these are in the UK's economic interest.

We carried out verification activities onsite. The TRA did not seek to verify all information provided, but undertook the work considered appropriate and possible within the time constraints of the investigation to obtain assurance upon which to base our case decision.

This verification report documents the work completed, providing an overview of the range and scope of verification procedures performed, for each component part that covers the scope of our work, on the information submitted by LB Group. It details the conclusions reached regarding completeness, relevance, accuracy and provides an overall conclusion stating the level of assurance reached.

Confidential information

LB Group must provide a non-confidential version of the verification report marked as 'non-confidential' in the header.

If any information contained in the verification report is considered confidential, LB Group should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also public guidance).

The non-confidential version of the verification report will be placed on the public file.

Verification

Please find below a summary of work completed by the TRA to determine whether the information provided by LB Group in its questionnaire response is complete, relevant, and accurate.

A. Company structure and associations

What information was considered
• Company details including date of incorporation, company addresses, etc. • General company structure, ownership and management • Associations with other companies • Financial Statements
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
How the information was checked
We reviewed LB Group's company structure and its declared associations by cross-checking the questionnaire response against corporate records, supporting documentation, and other parts of the questionnaire response, including financial statements and related party disclosures. No discrepancies, undeclared entities, or conflicting relationships were identified during this process. The information was also internally consistent within the submission. This consistency provides reasonable assurance that the information is complete and accurate for the purposes of the investigation. **Company details, structure, ownership, and management** We cross-checked information submitted by LB Group on its company details, structure, ownership, and management against its audited financial statements for the period ended 31 December 2025, company documents provided in the questionnaire response, and other sources including its corporate website. The company's structure, ownership, and management details were consistent across all sources reviewed. No discrepancies, omissions, or conflicting information were identified during this process. **Associations with other companies** We reviewed the questionnaire response and did not identify any undeclared associated parties. This was undertaken to ensure that all associated parties and related party transactions had been fully disclosed and could be treated consistently throughout the investigation. We also discussed with LB Group

management and legal representatives the nature of relationships with other corporate entities and found no inconsistencies when compared to our own research.

Accounting compliance and auditor's opinion

The statutory financial statements of LB Group are produced in accordance with Accounting Standards for Business Enterprises – Basic Standards (PRC GAAP). The conclusion of the auditor is that the financial statements have been presented fairly in all material respects.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

Exceptions/Findings/Adjustments
None

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

Conclusions
The information relating to company structure and associations provided by LB Group is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

B. Accounting Systems and Procedures

What information was considered
• Accounting policies, significant risks and accounts • IT applications • Sales and customer order process • Purchase order process

- Export and Import processes and documentation

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

How the information was checked

On the 25 & 26 June 2026, we conducted a remote walkthrough of LB Group accounting systems and data extraction procedures. We also reviewed the controls in the sales and purchasing processes, as well as an end-to-end walk-through of a sale and a purchase transaction we selected that was not identified to the company prior to testing, following the data from order, through fulfilment and ultimately settlement. This allowed us to gain an understanding of its system and controls and to ascertain the level of reliance that can be placed on the data produced by the system.

Accounting policies, significant risks and accounts

We reviewed the full audited financial statements for the reporting period ended 31 December 2025, which we confirmed were prepared in line with PRC GAAP and independently audited. We found no high-risk or high complexity areas which needed responding to via the design of additional verification procedures.

IT applications

The *LB Group of companies* which *LB Group Co., Ltd* is a member of, uses **[redacted – commercially sensitive information]** as its enterprise resource planning (ERP) software, and it demonstrated how it is used as well as how the data submitted was extracted. The ERP system has its base currency in **[redacted – commercially sensitive information]**.

LB Group uses a **[redacted – commercially sensitive information]**.

Accountancy systems walkthrough of sales and purchasing processes

During the system walkthrough of the sales processes and controls we observed the entry of a customer order in the invoice issuing system through to fulfilment and settlement, including the recording within the accounting system. For purchasing, we observed how a purchase order was processed, including approval, logistics, and payment. In both cases, we obtained supporting documentation, explanations, and system demonstrations to underpin our understanding of the processes. The walkthrough confirmed that transactions follow a clear and traceable flow within the accounting system, providing a basis

for consistent recording and supporting the completeness and accuracy of reported transactions and no issues were found.
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
Exceptions/Findings/Adjustments
None
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
Conclusions
Based on the work performed, we have obtained a basic understanding of the relevant accounting and associated business systems of LB Group. This enabled us to plan appropriate verification procedures.
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

C. Goods

What information was considered
• Goods description and comparability of the like goods and goods concerned • Production Process • Product Control Number (PCN) allocations • Internal coding system
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
How the information was checked
Goods description, PCN allocations and internal coding system We checked the information submitted in LB Group's questionnaire response to assess the assignment of PCNs to the goods concerned. **[redacted – commercially sensitive information regarding the internal coding system]**. We found no inaccuracies.

[redacted – commercially sensitive information].
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
Exceptions/Findings/Adjustments
None
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
Conclusions
The information relating to the company's goods provided by LB Group is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

D. Costs

What information was considered

• Completeness of cost data
• Transactional testing
• Cost allocation testing
  - Raw materials
  - Manufacturing overheads
  - Direct labour
  - Administration, selling and general (AS&G) costs
  - Other direct costs
• Particular Market Situation (PMS)

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
How the information was checked

Completeness of cost data

As part of pre-visit verification work, we obtained a trial balance and audited financial statements from LB Group that aligned to the statutory accounting period i.e. the year to 31 December 2025. We used these extracts to reconcile data between the audited financial statements and questionnaire response and found no material difference.

Transaction testing

We carried out transaction testing on a sample of **[redacted – number]** raw material purchases including **[redacted – commercially sensitive information]** and energy costs. LB Group uses **[redacted – commercially sensitive information]** to produce the goods concerned and **[redacted – commercially sensitive information]**. We compared data submitted in the questionnaire response to underlying source material for the purposes of assessing the accuracy and relevance of cost transactions. We matched sampled transaction information directly to source documents, including purchase orders, invoices, and payment confirmation records. We were provided with all relevant source documents and no issues were found.

Additionally, we carried out transaction testing on a sample of costs relating to manufacturing overheads, direct labour, AS&G and other direct costs. We matched the total amounts for each cost type submitted in the questionnaire response to the trial balance and financial statements. We then compared a sample of transactions to supporting documents, including invoices, internal accounting records, payroll or labour records where relevant, and payment confirmation records. We were provided with the relevant source documents for all selected transactions and no issues were found.

Cost allocation testing

We discussed the methodologies used to allocate raw materials, manufacturing overheads, direct labour, AS&G and other direct costs to PCNs.

LB Group allocated cost **[redacted – commercially sensitive information]**. However, to calculate costs **[redacted – commercially sensitive information]** . LB Group management explained the cost allocation method **[redacted – commercially sensitive information]**. We reviewed the workings, including the **[redacted – commercially sensitive information]**.

LB Group allocates **[redacted – commercially sensitive information]**. LB Group then allocates **[redacted – commercially sensitive information]**. We reviewed this methodology and considered it to be reasonable.

Particular Market Situation (PMS)
LB Group provided a questionnaire containing data relating to PMS including energy, raw materials, land use rights and loans. Energy and raw material purchases had already been tested in the section above. During onsite verification we sampled land use rights and loans. LB group provided supporting documentation including **[redacted – commercially sensitive information]**. We reviewed these documents and reconciled them to the questionnaire annex with no differences. No unreported loans, land use rights, energy costs or raw material purchases were identified during onsite verification.
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
Exceptions/Findings/Adjustments
None
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
Conclusions
The information relating to costs provided by LB Group is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

E. Sales

What information was considered
• Completeness of sales data • Transactional testing • **[Redacted – commercially sensitive information]** • Freight charges

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

How the information was checked

Completeness of sales data

To ensure the completeness of the sales data reported in the questionnaire response we set out to compare it to the audited financial statements. During pre-visit verification work, we obtained a trial balance and the audited financial statements. This reconciliation confirmed that the data reported in the questionnaire was consistent with the company's accounting records and audited financial statements, with no material differences identified.

Transaction testing

We carried out transaction testing by comparing data submitted in the questionnaire response to underlying source documents for the purposes of assessing the accuracy and relevance of sales transactions in the questionnaire response. We selected a sample of **[redacted – number]** domestic sales and **[redacted – number]** export sales transactions from LB Group's submitted sales annexes, and LB Group provided documentation for all selected transactions, including purchase orders, invoices, customs documentation, shipping documents and proof of payment. No material differences were identified during our testing.

For the sales destined for the UK market via **[redacted – commercially sensitive information]**, it also supplied sales documents including customs declarations, shipping documents, sales contracts and invoices and proof of payment. Again, no material differences were identified during our testing.

[Redacted – commercially sensitive information]

LB Group did not report any **[redacted – commercially sensitive information]** for domestic or export sales. LB Group provided the underlying contracts, invoices and bank payments for the sampled sales, no unreported **[redacted – commercially sensitive information]** were identified.

Freight charges

We reviewed source documents and identified that **[redacted – commercially sensitive information]**. We reviewed the method used to **[redacted – commercially sensitive information]** and we are satisfied that the method is reasonable and applied correctly.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
Exceptions/Findings/Adjustments
None
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
Conclusions
The information relating to sales provided by LB Group is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

F. Fair Comparison

What information was considered
• Transportation costs • Insurance costs • Loading and handling • Credit terms
If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):
How the information was checked
Fair comparison adjustments for export sales LB Group reported that it adjusted export sales on domestic freight, transport, insurance and handling fees. During onsite verification we reviewed source documents and working sheets used by LB Group to calculate these adjustments. We were able to recalculate these adjustments ourselves and we are satisfied that the methodologies used are

appropriate and that the adjustments have been accurately recorded in the Transaction-by-Transaction (T-by-T) listing.

We reviewed the questionnaire annex, and no other adjustments were identified. We requested source documentation and other evidence to underpin our understanding.

Fair comparison adjustments for domestic sales

LB Group reported transport and credit costs as fair comparison adjustments. During onsite verification we reviewed source documents and working sheets used by LB Group to calculate these adjustments. We were able to recalculate these adjustments ourselves and we are satisfied that the methodologies used are appropriate and that the adjustments have been accurately recorded in the T-by-T listing.

We reviewed the questionnaire annex, and no other adjustments were identified. We requested source documentation and other evidence to underpin our understanding.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

Exceptions/Findings/Adjustments

None

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

Conclusions

The information relating to fair comparisons provided by LB Group is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):

Conclusions

We checked the company details and ownership information submitted by LB Group against audited financial statements and the company website. During on-site verification procedures, the company details and ownership were discussed and evidenced further with no issues identified.

During a remote walkthrough, LB Group provided presentations and information regarding its accounting systems and procedures. We viewed a cost and sale transaction from beginning to end and observed transactions live in the financial system with no issues identified.

We reviewed PCN allocations and goods in scope for accuracy and consistency and found PCNs were assigned to the goods in scope with no issues identified.

We reconciled the information provided in the questionnaire response to audited financial statements and LB Group's accounting system. Samples of cost and sales transactions was traced back to source documents, with no issues identified. We assessed and were satisfied with the methodologies used by LB Group to allocate costs to PCNs.

LB Group provided sufficient and appropriate evidence, enabling us to conduct suitable verification work, including on a sample basis as detailed in the above sections.

Based on the work performed, we have a reasonable level of assurance that the information provided in its questionnaire response is complete, relevant, and accurate for the purpose of this investigation.

Annexes

Annex 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
25-26 June 2026	☒ remote ☐ on-site	- **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** Several representatives of LB Group	- **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]**
24 Aug – 4 Sep 2026	☐ remote ☒ on-site	- **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]** - **[redacted – contains personal information]**	- **[redacted – contains personal information]** - **[redacted – contains personal information]**

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