

**Report Number: QIP-ASI100000****Audit Date :** 01 Mar., 2010  
**Expiry Date :** 28 Feb., 2011

This report is issued by Focus Technology Co., Ltd. (Made-in-China.com) and the supervising inspectorate (SGS-CSTC Standards Technical Services Co., Ltd) to confirm that:

**Company Name :** ABC Company Limited.  
ABC 有限责任公司  
**Showroom :** <http://www.made-in-china.com/showroom/ABC>  
**Address :** A Building, No.315 Zhongshan South Road, Nanjing, China  
**Product :** Clothing and lamp

has been on site audited for the Following Scope of Activity

1. General Information
2. Foreign Trade Capacity
3. Product Research & Development Capacity
4. Quality Management System and Product Certification
5. Production Capacity & Quality Control
6. Financial Position
7. Working Environment & Energy Saving
8. Photos

**General Comments:**

ABC Company Limited. is a manufacturer with 900 employees; it was established in 1991, located in A Building, No.315 Zhongshan South Road, Nanjing City. The workshops occupy an area of more than 20,000 square meters, and the annual production output was 10 million lamps in last year. ABC Company Limited. has its own brand "ABC" and has expanded its product line to all kind lamp and clothing. They have passed ISO9001:2008 certification in 2009, and already have obtained CE certification for lamp. ABC Company Limited. has successful foreign trading experience in Europe, North American and Asia, their foreign trade revenue was around USD1.275 million in year 2009.

Sign for and on behalf of  
SGS-CSTC Standards Technical Services Co., Ltd.

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**SGS-MIC**

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# SUPPLIER ASSESSMENT REPORT

Audited Company	ABC Company Limited. ABC 有限责任公司
Audited Site:	A Building, No.315 Zhongshan South Road, Nanjing, China
Representative of Audited Company:	Mr. Steven Li / Sales

Consigner of Assessment	Made-in-China.com	
Audit Type	<input checked="" type="checkbox"/> Initial Audit  <input type="checkbox"/> Re-audit	
Valid Date	From 01 Mar., 2010 to 28 Feb., 2011	Verified Report <a href="mailto:as.cn@sgs.com">as.cn@sgs.com</a>
Auditor Name	Roger Wang	Reviewed by Jeremiah Yu

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## Part A: General Information

### Section 1: Company Overview

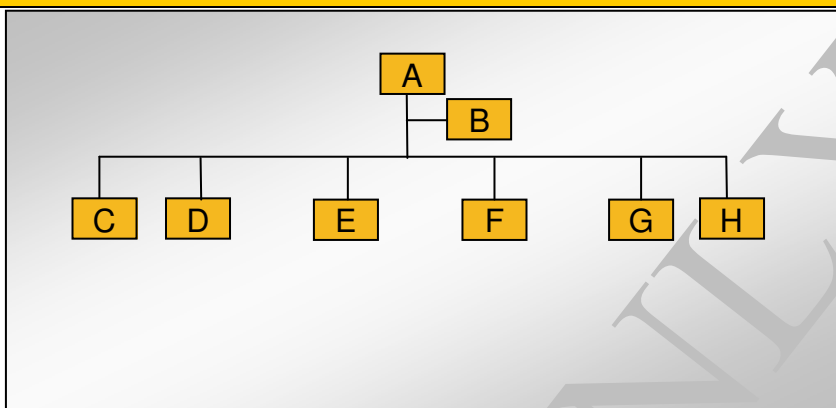
1.1 Legal Validity			
Does the company have a valid business license?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Others	Registration Number	320122011103213
Year of established	19 Mar., 1991	Valid Date	19 Mar., 2032
Registered address	A Building, No.315 Zhongshan South Road, Nanjing, China		
Actual address	A Building, No.315 Zhongshan South Road, Nanjing, China		
Is the annual review done by local authority (Industrial & Commercial Bureau)?	Refer to business license provided; it was reviewed in year 2009.		
Registered capital	RMB 10,000,000		
Name of legal representative	Mr. Richard Gu		
Business scope	Special item: none Normal item: Sale clothing, material, textile, leather products, textile raw materials and lamps; Import & export business.		
1.2 Basic Information			
Contact person	Ms. Grace Zhao	Email	<a href="mailto:Grace.zhao@sgs.com">Grace.zhao@sgs.com</a>
Phone number	0086-25-58075282	Fax number	0086-25-83407773
URL/Web address	<a href="http://www.cn.sgs.com">www.cn.sgs.com</a>		
Company type	<input checked="" type="checkbox"/> Manufacturer <input type="checkbox"/> Foreign trader		
Type of ownership	<input type="checkbox"/> Private Owned <input type="checkbox"/> Public Company <input checked="" type="checkbox"/> Joint Venture <input type="checkbox"/> State-Owned <input type="checkbox"/> Proprietorship <input type="checkbox"/> Others		
Subsidiary factory	No subsidiary factory		
Products manufactured / sold scope	Clothing and lamp		
1.3 Company Building Information			
According to: <input checked="" type="checkbox"/> Land certificate <input type="checkbox"/> Real estate certificate <input type="checkbox"/> Lease agreement The land size is: 25,000 square meters The workshop size is: 20,000 square meters			

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## Section 2: Human Resources

## 2.1 Company Chart



## 2.2 Explanation of Code and Employee Details

Code	Department	Number of employees
A	General Manager	1
B	Vice General Manager	1
C	Engineering Dept.	2
D	Quality Dept.	15
E	Financial Dept.	6
F	Foreign Trade Dept.	8
G	Production Dept.	857
H	HR	10
Number in total:		900

## 2.3 Key Staff

Title	Full name	Education	Working experience for this trade / total experience
General Manager	Mr. Steven	University	10 years
Vice General Manager	Ms. Linda	University	9 years
Sales Manager	Mr. Charlie	University	6 years

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## Part B: Foreign Trade Capacity

### Section 1: Export Overall Situation

1.1 Export Overall Situation	
Does the company have a valid export license?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The import and export enterprise code.	No.: 32117312324234
The number of foreign trading staff with relevant trading experience.	<input type="checkbox"/> within 1 year staff <input checked="" type="checkbox"/> 2-5 years 6 staff <input checked="" type="checkbox"/> 5-10 years 2 staff <input type="checkbox"/> over 10 years staff Total 8 staff
The language freely used by foreign trade staff	<input checked="" type="checkbox"/> English <input type="checkbox"/> others
Annual revenue of previous year	Refer to financial report, this revenue was USD1.50 million in year 2009.
Annual export revenue of previous year	Refer to financial report, this revenue was USD1.275 million in year 2009.
Estimated export revenue for this year.	Based on interview with Mr. Steven, the estimated export revenue was US\$1.65 million in this year.
Overseas agent	No overseas agent
Nearest port	Shanghai port
Acceptable quotation	<input checked="" type="checkbox"/> FOB <input checked="" type="checkbox"/> CIF
Acceptable payment type	<input checked="" type="checkbox"/> LC <input checked="" type="checkbox"/> T/T
What is the company's projected average lead time from PO conformation to production EX works delivery?	Based on interview with general manager; the average lead time was 15 workdays from PO confirmation to EX works delivery.

### Section 2: Export Business Capacity

2.1 Market Distribution (please list top three areas)		
Market	Main product	% of Total Business Volume (last year)
North American	Lamp	48%
West Europe	Clothing and lamp	32%
Domestic	Lamp	15%

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## Section 3: Supplier Management

3.1 Supplier Management		
Item	Content	Observations /Comments
1	Does the company establish and implement an effective suppliers' assessment procedure?	<input checked="" type="checkbox"/> Have the written procedures and followed records <input type="checkbox"/> Have the written procedures but not records <input type="checkbox"/> Have relevant records without written procedure <input type="checkbox"/> No written procedures or followed records
2	Does the company have an updated list of approved suppliers?	<input checked="" type="checkbox"/> The approved suppliers list was updated in <u>2009</u> <input type="checkbox"/> Have the written suppliers without approved signature or date. <input type="checkbox"/> Provide some suppliers' names <input type="checkbox"/> No approved suppliers list

## Section 4: After-sales Service Capacity

4.1 After-sales Service Capacity		
Item	Content	Observations /Comments
1	Is there a procedure to conduct random product inspection after final packaging in place?	<input checked="" type="checkbox"/> Have clear standards and written inspection records <input type="checkbox"/> Have written standards but had inspection reports <input type="checkbox"/> Have the procedures but no inspection records <input type="checkbox"/> It's not necessary to carry out the inspection
2	Is there a clear procedure for handling customer complaints?	<input checked="" type="checkbox"/> Has the clear procedure and followed records <input type="checkbox"/> Has the procedure but no written records. <input type="checkbox"/> No written procedures or records.
3	Can the finished/packaged product be traced by lot identification to the appropriate raw materials test reports?	<input checked="" type="checkbox"/> Have the procedures to trace the raw materials. <input type="checkbox"/> Can trace main materials <input type="checkbox"/> Can trace production date. <input type="checkbox"/> Can't trace products
4	Are corrective & preventive actions mechanism established and implemented effectively (including the suppliers/ sub-contractors control, incoming inspection, process control, final inspection and customer complaint)?	<input checked="" type="checkbox"/> Has the clear procedure and followed records <input type="checkbox"/> Has the procedure but no written records. <input type="checkbox"/> No written procedures or records.

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## Part C: Product Research & Development Capacity

### Section 1: Product Research & Development Capacity

1.1 Product Research & Development Capacity	
The amount of R&D and relevant trading experience.	<input type="checkbox"/> within 1 year staff <input checked="" type="checkbox"/> 5-10 years staff Total 2 engineers
What is the main job responsibility for R&D engineers?	Format design with AutoCAD and sample making.
Does the company have its own brand for the company, or ODM, OEM, others?	The company had their own brand "SGS".
Is there any relevant design input, output, review, verification and validation documentation available to the auditor for review?	Refer to the related documents provided by the company; auditor noted there was the relevant design input, output, review, verification.
Is there any special software or instrument used by the R&D staffs during the design process of new products? If yes, please list the main software or instrument.	Software: AutoCAD, Pro/E
Does the company have an effective design change control procedure in place?	Refer to related records; auditor noted that this company had established an effective design change controlling procedure.
Please list the patent certificates and qualification license.	Invention patent: No. 735645

## Part D: Quality Management System and Product Certification

1.1 Quality Management System and Product Certification	
Has the company obtained a valid certificate for their quality management system? Such as ISO9001, QC080000 and etc.	<b>ISO9001:2008 Certificate</b> No.: X32123 Scope: Sale lamp and clothing. Issued by DAS. Valid until 30 Nov., 2012.
Is product certification necessary in terms of selling designation (UL for US, CCC for China, CE for Europe ...) at the company? I) Product certification list? if any II) Sample of product certification, if has (at least one of key products)? III) Copy of product certification sample (1-5 key products, if has)?	<b>CE Certificate</b> No.: 3123213 Product: Lamp Model: XPL-CT Standard: EN 32232 Date: 06 Nov., 2009 This certificate was issued by TUV.

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## Part E: Production Capacity & Quality Control

### Section 1: Production Capacity

1.1 Production Workflow Chart			
	→		→
Raw materials		Cutting	→
	→		→
Iron		QC station	→
	→		→
		Packaging	
1.2 Products Situation in Last Year(Top three Product Categories)			
Product Category	Capacity in Top Month	Average Capacity	Total in 2009
 Description: Clothing	120,000 sets	100,000 sets	1,200,000 sets
1.3 Main Facilities			
Picture	Facility name	Brand or Country/Region of origin	Quantity
	Sewing equipment	Taiwan	137

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## Section 2: Production Process Control

2.1 Production Process Control		
Item	Content	Observations /Comments
1	Are the environmental conditions, such as tidiness and cleanliness being controlled and suitable for the operation performed?	<input checked="" type="checkbox"/> Very tidy <input type="checkbox"/> Normal <input type="checkbox"/> Need to improve <input type="checkbox"/> Very poor
2	Are the necessary items /documents provided at appropriate location and under control?	<input checked="" type="checkbox"/> Work Instructions /procedures <input type="checkbox"/> Workmanship standard /acceptance <input type="checkbox"/> Golden sample /Approval sample <input type="checkbox"/> Product picture <input type="checkbox"/> Verbal by workshop director
3	Are written instructions available for incoming material inspections /testing? Is the relevant record maintained?	<input checked="" type="checkbox"/> Has instructions and uniformly followed <input type="checkbox"/> Has instructions but no written records <input type="checkbox"/> Materials checked by storage staff
4	Are written inspections /testing instructions available for finished products? Is the relevant record maintained?	<input checked="" type="checkbox"/> Has instructions and uniformly followed <input type="checkbox"/> Have instruction but no written records <input type="checkbox"/> Check the products by packing staff
5	What type of inspection is used for finished products?	<input checked="" type="checkbox"/> Random inspection <input type="checkbox"/> 100% inspection <input type="checkbox"/> Visual inspection <input type="checkbox"/> Function inspection
6	Are non-conforming units clearly marked/ segregated to prevent accidental dispatch?	<input checked="" type="checkbox"/> Marked and segregated <input type="checkbox"/> Segregated but not marked clearly <input type="checkbox"/> No found in site
7	How are the non-conforming units handled?	<input checked="" type="checkbox"/> Repaired and re-inspection <input type="checkbox"/> Picked out <input type="checkbox"/> Used under control <input type="checkbox"/> Others

## Section 3: Company Development / Expansion Plans

3.1 Company Development / Expansion Plans		
Item	Company Development Action(s)	Timeframe
1	The company will purchase 40 sets sewing machines.	2012
2		
3		

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## Part F: Financial Position

### Section 1: Financial Data

1.1 Income Statement				
Item	Content	2010	2009	2008
1	Operating revenue	183,550	122,746	96,180
2	Operating cost	156,800	108,600	80,000
3	Gross profit	25,500	22,600	10,520
4	Operating profit	16,430	10,000	4,300
1.2 Balance Sheet				
Item	Content	2010	2009	2008
1	Cash and cash equivalents	27,780	20,700	5,300
2	Total current assets	103,400	95,700	87,600
3	Total liabilities	101,600	72,400	75,740
4	total assets	201,500	170,000	120,200
1.3 Cash Flow From Operating Activities				
Item	Content	2010	2009	2008
1	Cash received from sales of goods or rendering of services	162,500	120,700	88,100
2	Sub-total of cash inflows	172,800	133,600	91,000
3	Sub-total of cash outflows	120,566	97,600	67,880

Remark: 1、All monetary amounts quoted in this part are shown in RMB, unless otherwise stated.

2、all financial data was from the audited company's financial reports reviewed by \*\*\*\*accounting firm.

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## Section 2: Key Performance Indication

2.1 Key Performance Indication				
Item	Content	2010	2009	2008
1	Operating revenues year-on-year rise (OR in this year- OR in last year ) / OR in last year	49.54%	27.62%	--
2	Gross Margin Cross profit/ Operating revenues	13.89%	14.41%	10.94%
3	Current ratio Current assets / Current liabilities	1.97	2.10	1.67

## Section 3: Banking

3.1 Banking		
Item	Content	Comments
1	Opening bank	Nanjing Branch ICBC
2	A/C No.:	23456789012345678
3	The credit level evaluated by bank	A/A level issued by ICBC

## Section 4: Product Insurance

4.1 Product Insurance				
Certification	Insurance	Number	Product	Expiry date
Certificate of product quality warranty	Alltrust Insurance Brokers & Consultants Co., Ltd.	PBBD200123011600000003	Solar cell and solar module	31 Jan., 2010
Certificate of product liability insurance	Alltrust Insurance Brokers & Consultants Co., Ltd.	BJC03090345004	Solar cell and solar module	31 Jan., 2010

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## Part G: Working Environment & Energy Saving

### Section 1: Working Environment

1.1 Welfare Benefits		
Item	Content	Observations /Comments
1	Does the company have effective procedures to verify the age of staff at the time of recruitment?	<input type="checkbox"/> Has written procedure and keeps adequate age documents of workers <input checked="" type="checkbox"/> Has written procedure but doesn't follow records <input type="checkbox"/> Hasn't written procedure or follows records
2	Do all workers sign employment contracts with the factory?	<input type="checkbox"/> All workers sign employment contracts <input type="checkbox"/> Part workers sign employment contracts <input checked="" type="checkbox"/> Only management staff sign employment contracts <input type="checkbox"/> No staff sign employment contracts
3	Is statutory contribution required for all employees' social insurance (e.g. health insurance, unemployment insurance, accident insurance etc.) paid for by the enterprise?	<input type="checkbox"/> All workers have social insurance. <input type="checkbox"/> Part workers have social insurance <input checked="" type="checkbox"/> Only management staff have social insurance <input type="checkbox"/> No staff have social insurance
4	Does the company have a clear and effective policy on working hours, rest and vacations? If does, please list it.	<input type="checkbox"/> All staffs work up to the policy <input type="checkbox"/> Most of the time, keeps to the policy except midseason. <input checked="" type="checkbox"/> Usually needs overtime. <input type="checkbox"/> No relevant records for working hours Describe the working hours: AM: 9:00-12:00 PM: 14:00-17:30
5	Does the company pay extra remunerations for all overtime work?	<input type="checkbox"/> For all overtime work. <input type="checkbox"/> For official holidays <input type="checkbox"/> For official holidays except weekend. <input checked="" type="checkbox"/> No extra remunerations for overtime.
6	Does the company have dormitories for staff? If yes, please describe the condition.	<input type="checkbox"/> Provide dormitories for all staff <input type="checkbox"/> Provide dormitories for workers <input type="checkbox"/> Provide dormitories for management staff <input checked="" type="checkbox"/> No dormitories were provided. Describe the condition:
1.2 Labor Protection		
Item	Content	Observations /Comments
1	Are there uniforms for all staff in company?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other
2	Is the emergency medical supplies enough and easily used in workshop?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Other: only 2 medical boxes are found in workshop, with a part-time doctor
3	Does the company arrange health and safety training for new workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other
4	Do the workers have the appropriate protective equipment during operation in workshop? Such as gloves, masks.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other
5	Is there training needed and carried out for fire protection?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other

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## Section 2: Energy Saving and Emission Reduction

2.1 Energy Saving and Emission Reduction		
Item	Content	Observations /Comments
1	Has the company defined and documented its corporate environmental policy, objectives and commitment to the environment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other
2	Does the company carry out a comprehensive system of planned and documented internal environmental audits?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other
3	Has the company defined the environmental target for the long-term?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other
4	Has the company defined the environmental target for the short-term? If yes, please list the specific measure or project.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other
5	Has the company received honors from governmental or others organization? If yes, please describe the detail information.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other

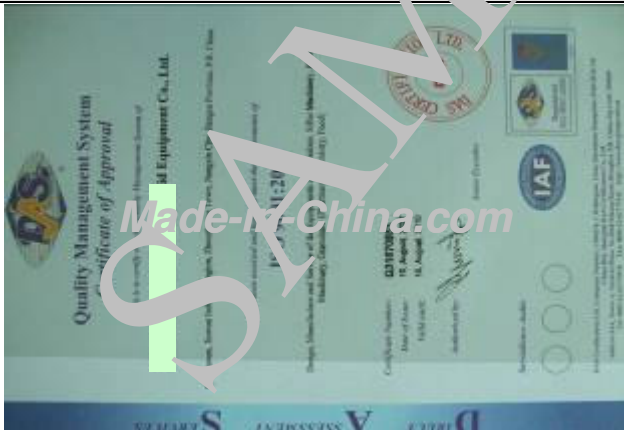
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## Part H: Photos

## Section 1: Photos of Documents

## 1.1 Photos of Documents

Description: Business License	Description: Organization Code Certificate
	
Description: Export License	Description: Land Certificate
	
Description: ISO9001 Certificate	Description: CE Certificate
	

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## Section 2: Photos of Company

### 2.1 Photos of Company and Product Sample

Description: Company Gate	Description: Office
	
Description: Workshop	Description: Workshop
	
Description: Warehouse	Description: Showroom
	

-- End of the Report --

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