



Audit Report of Global Manufacturer Certificate



Manufacturer:	Foshan Rongo Intelligence Technology Co., Ltd. 佛山市荣高智能科技有限公司		
Factory Address:	No.9, Xingda Road, Industry Park A , Shishan Town, Nanhai District, Foshan City, Guangdong Province, China		
Factory Representative:	Huang Ronggao		
Site(s) audited:	Same as address	Date of Issue:	21 April 2011
Standard(s):	2nd Party Audit in Terms of the Checklist of GlobalMarket		
Audited by:	Kevin Wang	Reviewed by:	Tony Xu / Ceci Zhu
The Audit Results : GMC Level (Only Assessed by GMC Audit Committee)			
			
Confirmed by GMC Audit Commissioner:			
This report is confidential and distribution is limited to GlobalMarket representative and the TÜV office.			

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Factory Profile:

General Information:

Registered Capital:	RMB 10,000,000
Time of Establishment:	2005
Factory Nature:	Limited liability company
Background of Factory (Ownership)	The factory is the applicant of GMC audit.
Main Products:	Electric retractable door, Household door, Signo
Target Market:	Europe, America, Asia
Export Market:	Europe, America, Asia
Sold Method:	Directly exported to overseas market / Sold through export agencies to overseas market
Cooperated Key Buyer:	--*
Order Quantity from Key Buyer:	--*
GMC Audit Report No.:	16032002

*Note: The information was kept confidential.

Finance Condition:

Total Assets --*

Profitability Ratios: [Net profit before tax / Turnover × 100%] --*

Asset Management Ratios: [Total assets turnover: Turnover / Total assets] --*

*Note: The information was kept confidential.

Banking Relationship:

Banking relations are maintained principally with Agricultural Bank of China
A/C No.: 44527201040000919 (for RMB)
Tel: 0757-86662373
Taxes No.: 440604782026335

Banker(s) opinion:

Normal: It means that SC has maintained a normal relationship with its bankers.

Its bankers have recorded nothing detrimental against SC.

Note:

SC: Super Centre of Bank, a EPR Software

Payment:

Export Payment Terms:	T/T; L/C
Export Price Terms:	FOB Guangzhou
Domestic Sales Payment Terms:	T/T
Purchasing Payment Terms:	30 days credit for domestic purchase

Factory Coverage & Buildings:

Total area:	60,000 m ²
Production area and warehouse:	Five 1-storey building
Office:	Three 3-storey building
Accommodation:	Four 4-storey building

No. of Employee:

Sales & Marketing:	3
Design/R&D:	5
Manufacturing:	500
Quality Control:	18
HR/Admin department:	12

Working Hour:

The daily working-hour starts from 8:00 to 18:00 from Monday to Saturday.
Lunch-hour starts from 12:00 to 14:00; Supper-hour starts from 18:00 to 19:30;
Overtime starts from 19:30 to 21:30.

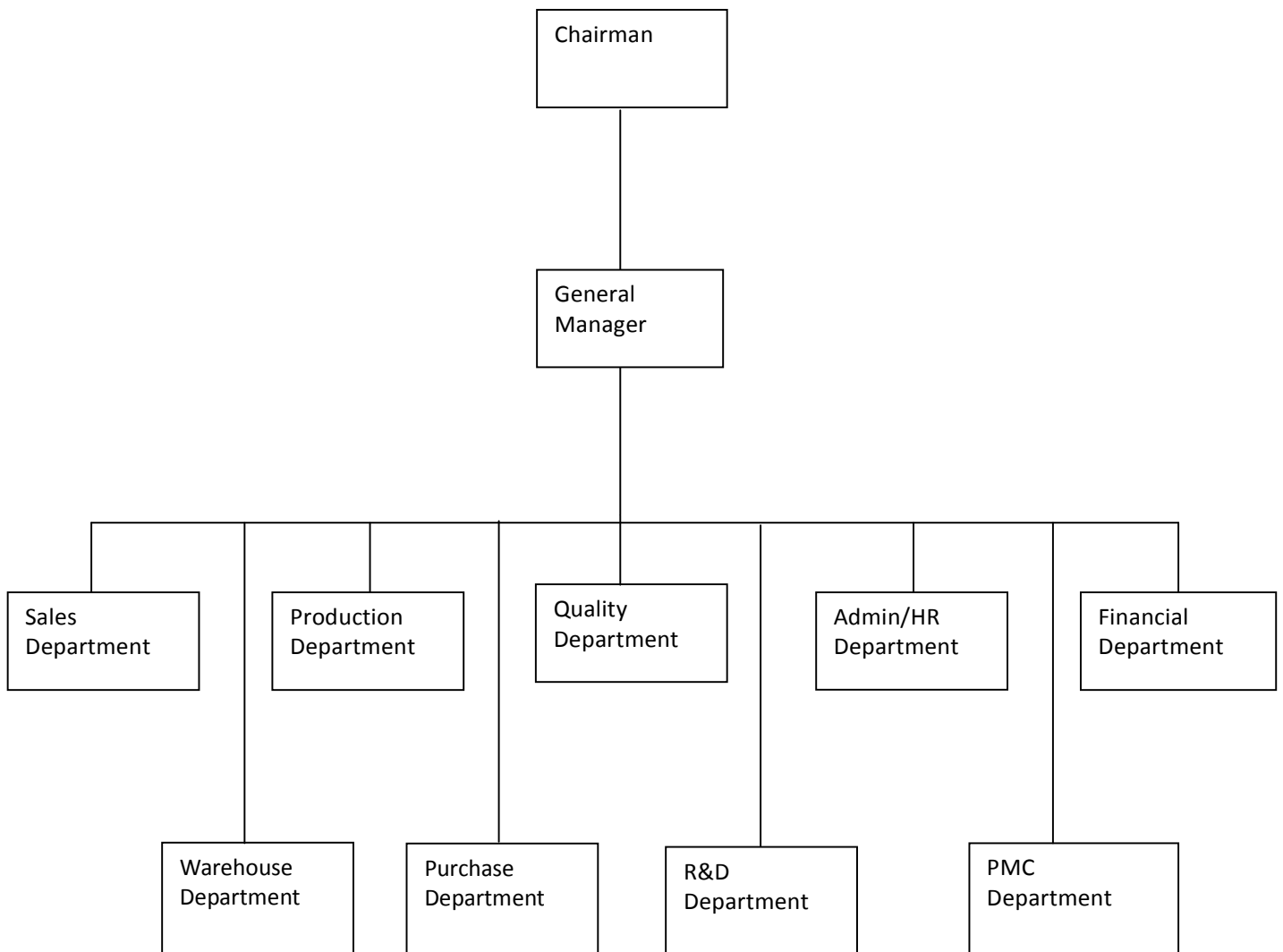
Main Production Facility / Machine:

<u>ITEM</u>	<u>QUANTITY</u>	<u>CONDITION</u>
Lathe	4	Equipped
Punch	16	Equipped
Milling machine	3	Equipped
Bending machine	3	Equipped
Automatic cutting machine	2	Equipped
High-speed automatic press	1	Equipped
Two-headed chamfering machine	1	Equipped
Open type twin column press machine	3	Equipped

Manufacturing Process Covered in the Audit Process:

Counterfoil → Warehouse → Machining → Accessories workshop → Assembly workshop → Head wiring → OQC inspection → Packing → Warehouse

Organization Chart of the Factor



Checklist and Results

Note:

The Judgments means that results are complied with the requirements based on the evidences.

(Yes ---- conformity, No --- inconformity or N/A--- Not Available / Not Applicable)

1. Business Registration

Item	The Checking Points	Evidences	Judgments
a.	Does the factory have Business Registration?	The factory has Business Registration.	Yes
b.	Is the registered company name and business scope complied with the actual situation?	The scope of the company name and product is complied with actual situation.	Yes
c.	Is an annual review done?	Annual review was done in 2010.	Yes
d.	Is Business Registration still valid?	The BR is valid until forever.	Yes
e.	Who is the Legal Representative?	Huang Ronggao	Yes
f.	Is the factory a subsidiary? If it were YES, what is the name of its parent company?	The factory isn't a subsidiary.	No
g.	Copy of Business Registration	The copy of the BR was submitted.	Yes
Conclusion		It is confirmed that the company or factory is a real manufacturer.	Yes

2. Quality Management System

This audit module belongs to GMC and Quasi-GMC Requirement.

Item	The Checking Points	Evidences	Judgments
a.	Is the factory certified with ISO9001 or other equivalent Quality Management System?	The factory has obtained ISO9001 certificate. Certificate No.: 04006Q11121R0S Certificate body: Beijing Zhongjing Quality Certification Co., Ltd. Issued date: 16 February 2009.	Yes
b.	What is the certification scope of ISO 9001 or other equivalent certificate?	The certification scope of ISO9001: Production and service of electric flex gate.	Yes
c.	Is the Certificate still valid?	The certificate is still valid until 15 February 2012.	Yes

d.	Is surveillance done accordingly? Have all opened major CAR closed?	The surveillance is done accordingly on 25 January 2009. All opened major CAR have been closed.	Yes
e.	Has the factory provided the copy of certificate and the recent audit report?	The factory has provided the copy of certificate.	Yes
f.	Does the Internal Audit of QMS [Quality Management System] proceed according to documented procedure and plan?	The Internal Audit of QMS [Quality Management System] doesn't proceed according to documented procedure and plan.	No
g.	Is the latest internal audit report kept? Has all opened major CAR been closed?		N/A
i.	Does the factory maintain a record of the Internal and External Corrective Action?		N/A
j.	Do the management review or audit the Corrective Action?		N/A
Conclusion		The No copy of above evidence was submitted. Factory is implementing a valid quality management system.	Yes

3. Product Certification / Approvals

This audit module belongs to GMC Requirement and Quasi-GMC Reference Condition.			
Item	The Checking Points	Evidences	Judgments
a.	Does the factory hold product certification and/or valid manufacturer licence for their main products?	The factory holds product certification for their main products, such as CE certificate: Certificate No.: CE10-MDE111801 Certificate body: Shenzhen EBO Technology Co., Ltd. Product: Automatic Retractable Door Model: RG-KUST-Y; RG-LAXDN-Y. Testing Standard: EN 60204-1: 2006+A1:2009; EN ISO 14121-1: 2007. Issued date: 18 November 2010.	Yes
b.	Does the factory have the product testing report which issued by the third party to evaluate safety/function of their products?	The factory has the product testing report which is issued by the third party to evaluate their products as below: Report No.: C10-DQ81552 Product: Electric retractable door Model: RG-LAXDN-Y Testing Standard: JG/T 154-2003	Yes

		Certificate body: Guangdong Foshan Quality Supervision Testing Center. Issued date: 07 December 2010.	
c.	Does the factory conduct the assessment when changing or adding a new supplier/sub-contractor? Does the factory keep the assessment report?	The factory conducts the assessment when changing or adding a new supplier and keeps assessment report.	Yes
d.	Are there written criteria available for incoming material inspections or testing? Does the factory keep the inspection/testing record for main material?	Written criteria are available for incoming material inspections or testing and factory keeps the inspection record for main material. The copy of the below documents was submitted: Inspection criteria No. RG-RES20100806-01. Inspection record date on 25 April 2011.	Yes
e.	Does the factory conduct necessary test/inspection for their finished products?	The factory conducts necessary inspection for their finished products. The copy of the below documents was submitted: Inspection criteria No. WI-7598. Inspection record date on 29 April 2011.	Yes
f.	Was the copy of documents above items submitted?	The copy of documents above items was submitted.	Yes
g.	Has the factory had the Production process controlled?	The factory has had the production process controlled.	Yes
Conclusion		The company or factory has had at least one product with valid product certification (e.g. UL, CE, GS, CCC, EMC, WEEE, cUL, VDE, CB, UR, ETL) or the other relevant export certificate or the equivalent inspecting and testing report which is issued by the third-party audit organization (e.g. TUV, SGS, Intertek, UL, BV, DNV,CCIC,WIT,CTI, HKQAA...).	Yes

4. Company Size Assessment

This audit module belongs to GMC Requirement:			
Item	The Checking Points	Evidences	Judgments
a.1)	If the financial report can not be showed by the factory, was the annual production capacity more than USD 5 million based on the data from Company Size Evaluation Table? (Time period is based on 12 months prior to on site audit)	The estimated production capacity was RMB 252,000,000 from January 2010 to December 2010; namely USD 37.3 million. 20% of products were exported to overseas market.	Estimated Production Capacity Yes
This audit module belongs to Quasi-GMC Requirement			
a. 1)	If the financial report can not be showed by factory, was the annual production capacity more than USD 2.5 million based on the data from Company Size Evaluation Table? (Time period is based on 12 months prior to on site audit)		N/A
b.	If the revenue is below the number of item a, how much is it?		N/A
c.	Copy of above evidences	The copy of company size evaluation table was submitted to TÜV RH & GMC Audit Committee.	Yes
d.	What percentage of the total output capacity does the current production cover?	80%	Yes
Conclusion		The revenue has met the requirements.	Yes

5. Foreign Trade Capacity

Item	The Checking Points	Evidences	Judgments
a.	Is a name list with education level and working experiences records of foreign trading staff kept?	The name list of 3 foreign trading staffs with education level and 2~3 years working experiences records of foreign trading staff was submitted.	Yes

b.	Do the trading staffs have adequate English level and foreign trading experiences based on interview question (e.g. Does the staff know what L/C and FOB is)?	The foreign trading staffs have the adequate English level and experience for trading.	Yes
c.	Do the staffs acquaint with the features of the products and introduce products to buyer?	The staffs acquaint with the features of the products and introduce products to buyer.	Yes
d.	Do the trading staffs clearly know the responsibilities and trading jobs?	The trading staffs clearly know the responsibilities and trading jobs.	Yes
e.	Does the trading team of the factory hold a clear organizational structure?	The factory holds the clear structure of organization for trading team.	Yes
j.	Copy of above evidence	Copy of above evidence was submitted.	Yes
Conclusion		The factory has trading staffs that are experienced and well qualified.	Yes

6. Research & Development Capacity

Item	The Checking Points	Evidences	Judgments
a.	Was the name list of R&D Staff with education, experiences and job duties showed and copied to the auditor?	The name list of 5 R&D Staffs with education, 2~6 years' experiences and job duties was copied.	Yes
b.	Has the factory had successful R&D projects? (e.g. Patent Certificate for at least one product)	The factory has had successful R&D projects, such as design patent. Patent No.: ZL201020105127.7 Product: Electric retractable door Issued date: 17 November 2010 Certificate body: State Intellectual Property Office of PRC	Yes
c.	Does the factory have the relevant design output, verification, validation documentation in Product Improvement Program?	The factory has relevant design output, verification, validation documentation in Product Improvement Program.	Yes
e.	Does the factory have a systematic method (e.g. IECQ QC080000) to avoid adopting the hazardous and environmentally sensitive materials in design & production process?	No evidence was provided to show that the factory has a systematic method to avoid adopting the hazardous and environmentally sensitive materials in design & production process.	No

f.	Is the factory equipped with suitable staff and instruments or apparatus based on on-site observation?	The factory was equipped with suitable staff and instruments or apparatus based on on-site observation.	Yes
k.	Was the practical sample presented in show room, R&D dept. or exhibition hall?	The practical sample was presented in show room.	Yes
Conclusion		According to the above-mentioned, the factory has the abilities to design the key products.	Yes

7. Credit or Goodwill

Item	The Checking Points	Evidences	Judgments
a.	Has the factory signed the declaration of No illegal records or fraud in business behavior which is drafted by Global Market?	The factory has signed the declaration of No illegal records or fraud in business behavior which is designed by Global Market.	Yes
b.	Has the factory signed the copy of the declaration?	The signed copy was submitted.	Yes
c.	Has the factory obtained any award from local government, industry institute or local chamber of commerce in the past two or three years?	The factory has obtained some awards, such as China building material industry brands. Certificate body: China engineering construction association. Issued date: 10 April 2006.	Yes
d.	Does the factory participate in the social commonweal or charity campaigns on average annually?	No evidence was provided to show that the factory participates in the social commonweal or charity campaigns on average annually.	No
Conclusion		According to all of the above-mentioned, the factory has a good credit or goodwill.	Yes

8. Social Environmental Responsibility

8.1 About SA8000

Item	The Checking Points	Evidences	Judgments
a.	Has the factory ever been certified with SA 8000?	The factory has not been certified with SA8000.	No
b.	Is it confirmed that there's no child labor in the factory?	No child labor was found during the audit.	Yes

c.	Is it confirmed that there is no discrimination during recruitment or daily practice in this factory? Such as race, religion, age, nationality, gender, political affiliation, or disability.	No discrimination was found during the audit.	Yes
d.	Is it confirmed that there is no mental harassment or corporal punishment within the factory?	No mental harassment and corporal punishment was found within the factory during the audit.	Yes
e.	Does the factory own the unionist or regulations of trade union or union movement?	The factory does not own the unionist or regulations of trade union or union movement.	No
f.	Through onsite interviewing at least 5 workers and the HR records scanning, is forced labor found to be prohibited within the factory?	No forced labor was found during the audit.	Yes

8.2 About Environment

Item	The Checking Points	Evidences	Judgments
a.	Has the factory ever been certified with ISO 14001?	The factory has not been certified with ISO 14001.	No
b.	Is the certificate still valid?		N/A
c.	Does the factory have the valid approval, permit or report issued by external company or local Environmental Protection Bureau (EPB), to prove their environment management/ control on their: <ul style="list-style-type: none"> – New factory or new production process setup – Factory migration 	No evidence was provided to show that the factory have the valid approval, permit or report issued by external company or local Environmental Protection Bureau.	No
d.	According to the plant tour, is the factory under the environment control? E.g. Is there any pollution generated during the production process? Do the factory and local EPB control it properly? Please specify the control action.	According to plant tour, no pollution generated was found in the product process. E.g. the useless goods was sold and cleaned. The factory is under the environment control.	Yes

8.3 About Safety

Item	The Checking Points	Evidences	Judgments
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a.	Has the factory ever been certified with OHSAS 18001?	The factory hasn't been certified with OHSAS 18001 yet.	No
b.	Is the certificate still valid?		N/A
c.	Does the factory have the approval report about safety construction which is issued by local Fire Bureau?	No evidence was provided to show that the factory has the approval report about safety construction which is issued by local Fire Bureau.	No
d.	According to plant tour, is the factory in the valid safety condition? E.g. safety workshop environment, suitable personal protection equipment, roadmap for fire evacuation etc.	Based on plant tour, there was no hidden trouble of fire and pollution hazard emitted from the factory, e.g. Emergency exit and path are clear.	Yes
Conclusion		According to the entire above-mentioned, no serious problem is found.	Yes

9. OEM/ODM Experience

Item	The Checking Points	Evidences	Judgments
a.	Is it contracted volume of OEM*?	It is accounted 20% for OEM.	Yes
b.	Is it contracted volume of ODM*?	It is accounted 30% for ODM.	Yes
c.	Is it contracted volume of OBM*?	It is accounted 50% for OBM.	Yes
d.	Based on the current equipment and resources, is it proved that the factory possesses at least one year experience of production and delivery?	The production and delivery has lasted for at least one year.	Yes
e.	What was the overall performance of quality and on-time delivery during the past year at factory?	It is accounted 96% for quality. It is accounted 100% for delivery.	Yes
Conclusion		It is an OEM/ODM/OBM vendor.	Yes

Note:

OEM: Original Equipment/Entrusted Manufacture

ODM: Original Design Manufacture

OBM: Own Brand Manufacture

Gap Analysis

According to the above-mentioned gap analysis for the factory, what areas do they need to further improve?

1	It is suggested that the factory should conduct the Internal Audit of QMS [Quality Management System] proceed according to documented procedure and plan.
2	It is suggested that the factory should have the systematic method (e.g. IECQ QC080000) to avoid adopting the hazardous and environmentally sensitive materials in design & production process.
3	It is suggested that the factory should participate in the social commonweal or charity campaigns on average annually.
4	It is suggested that the factory should own the unionist or regulations of trade union or union movement.
5	It is suggested that the factory should have the valid approval, permit or report issued by external company or local Environmental Protection Bureau.
6	It is suggested that the factory should have the approval report about safety construction which is issued by local Fire Bureau.
7	It is suggested that the factory had better obtain SA 8000, ISO14001 and OHSAS 18001 certification to increase the competitiveness.

Factory Tour

The relevant on-site photos and audit documents are as follows,



FACTORY GATE



RECEPTION



SHOW ROOM



HONORS & AWARDS



CERTIFICATE-1



CERTIFICATE-2



PATENT



BOARD CUTTING WORKSHOP



LATHE WORKSHOP



DRILL WORKSHOP



ASSEMBLY WORKSHOP



PACKING WORKSHOP



INCOMING WAREHOUSE



FINISHED PRODUCT WAREHOUSE



ACCOMMODATION



CANTEEN

Final Evaluation

Audit No.	Company Name	Result
16032002	Foshan Rongo Intelligence Technology Co., Ltd.	PASSED GMC

Qualification

Audit Module	Results
The Business Registration	Yes
Quality Management System	Yes
Product Certification / Approvals	Yes
Company Size Assessment (USD 35.0 Million)	Yes, Above
Foreign Trade Capacity	Yes
Research & Development Capacity	Yes
Credit or Goodwill	Yes
Social Environmental Responsibility	
About SA 8000	Yes
About Environment	Yes
About Safety	Yes
OEM / ODM / OBM Experience	Yes

Notes

1. The evaluation of the above results is not a certificate.
The official certificates will be issued later to the passed manufacturer.
2. There are three classes of the results, Passed GMC, Passed Quasi-GMC and Fail.
Only the passed manufacturer will be obtained the official certificate from Global Market Group (Asia) Ltd.
3. Global Market Group (Asia) Ltd reserves the right to amend the information given before issuing of Certificates or endorsements to the passed manufacturers.

End of Report at Page **18**