



Audit Report of Global Manufacturer Certificate



Manufacturer:	Zhongshan Wanlitong Antenna Equipment Co., Ltd. 中山市万里通天线器材有限公司		
Factory Address:	Anle Industrial Zone, Dongfeng Town, Zhongshan City, Guangdong Province, China		
Factory Representative:	Peikun He		
Site(s) audited:	Same as address	Date of Issue:	19 March 2011
Standard(s):	2nd Party Audit in Terms of the Checklist of GlobalMarket		
Audited by:	Louie Gu	Reviewed by:	Tony Xu / Ring Liu
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 1,080,000
Time of Establishment:	04 August, 1993
Factory Nature:	Limited Liability company
Background of Factory (Ownership)	The factory is the applicant of GMC audit.
Main Products:	Antenna
Target Market:	Worldwide market
Export Market:	Europe, America, Africa, Southeast Asia
Sold Method:	Sold through export agencies to overseas market
Cooperated Key Buyer:	--*
Order Quantity from Key Buyer:	--*
GMC Audit Report No.:	16030320

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 by the factory.*

Banking Relationship:

Banking relations are maintained principally with Zhongshan Dongfeng Branch of Industrial and Commercial Bank of China
A/C No.: 2011022619200088383 (for RMB)
Tel: 0760-95588
Taxes No.: 442000618138140

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 Zhongshan
Domestic Sales Payment Terms: Delivery against payment
Purchasing Payment Terms: 30 days credit for domestic purchase

Factory Coverage & Buildings:

Total area: 20,000 m²
Production area and warehouse: *Two 3-storey buildings*
Office: *A 3-storey building*
Accommodation: *A 4-storey building*

No. of Employee:

Sales & Marketing: 8
Design/R&D: 5
Manufacturing: 350
Quality Control: 15
HR/Admin department: 10

Working Hour:

The daily working-hour starts from 8:00 to 18:00; from Monday to Saturday.
Lunch-hour starts from 11:30 to 13:30; Supper-hour starts from 18:00 to 19:00;
Overtime starts from 19:00 to 22:00.

Main Production Facility / Machine:

<u>ITEM</u>	<u>QUANTITY</u>	<u>CONDITION</u>
Wave crest welding machine	2 sets	In Operation
High frequency welding machine	1 set	In Operation
Punch	9 sets	In Operation

Manufacturing Process Covered in the Audit Process:

Antenna:

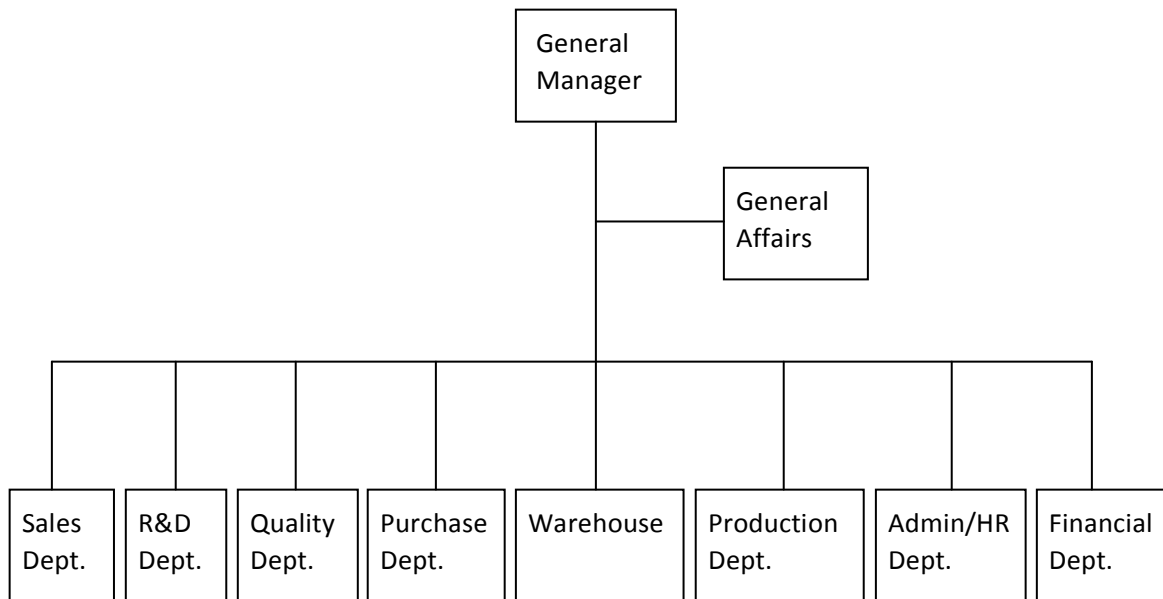
Raw Material Preparation → Incoming Material Inspection → Assembling → Function test → IPQC Inspection → Packing → OQC Inspection → Finished-goods

Note:

IPQC: Inline Process Quality Control

OQC: Outgoing Quality Control

Organization Chart of the Factory



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 gotten the business registration.	Yes
b.	Does the registered company name and business scope complies with the actual situation?	The registered company name and business scope are complied with actual situation.	Yes
c.	Is an annual review done?	The annual review of 2010 was done.	Yes
d.	Is Business Registration still valid?	It is valid to 13 October 2017.	Yes
e.	Who is the Legal Representative?	Peikun He	Yes
f.	Is the factory a subsidiary? If it were YES, what is the name of its parent company?	The factory is not a subsidiary.	No
g.	Copy of Business Registration	Copy of business registration 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 ISO 9001 certificate on 18 August 2009. Certificate body: <i>SGS UK Ltd.</i> Certificate No.: <i>CN09/31646.</i>	Yes
b.	What is the certification scope of ISO 9001 or other equivalent certificate?	The scope covers design and production of antenna.	Yes
c.	Is the Certificate still valid?	It is valid to 17 August 2012.	Yes

d.	Is surveillance done accordingly? Have all opened major CAR closed?	No recent external audit was available.	No
e.	Has the factory provided the copy of certificate and the recent audit report?	The copy of certificate was submitted.	Yes
f.	Does the Internal Audit of QMS [Quality Management System] proceed according to documented procedure and plan?	The internal audit was conducted on 20 July 2010.	Yes
g.	Is the latest internal audit report kept? Has all opened major CAR been closed?	The copy of recent internal audit report was submitted. And all CARs were closed.	Yes
h.	Does the factory maintain a record of the Internal and External Corrective Action?	Internal and External audit records with corrective action were kept.	Yes
Conclusion		The company or 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 CE certificate of indoor antenna which was issued by <i>Intertek Testing Services Shenzhen Ltd.</i> on 19 October 2010. The number is SZ10090241-1.	Yes
b.	Does the factory have the product testing report which issued by the third party to evaluate safety/function of their products?	The LVD test report of indoor antenna which was issued by <i>Intertek Testing Services Shenzhen Ltd.</i> on 19 October 2010. The number is SZ10090241-1.	Yes
c.	Does the factory conduct the assessment when changing or adding a new supplier/sub-contractor? Does the factory keep the assessment report?	The approved vendor control procedure was established, and the record was available.	Yes
d.	Are there written criteria available for incoming material inspections or testing? Does the factory keep the inspection/testing record for main material?	The written criteria are set up for incoming material inspection and the inspection records were retained.	Yes

e.	Does the factory conduct necessary test/inspection for their finished products?	The finished product inspection criteria were set up and the inspection records were retained.	Yes
f.	Was the copy of documents above items submitted?	The copies of above documents were on-site verified by the auditor.	Yes
g.	Has the factory had the Production process controlled?	The process was controlled effectively, and the workers and in-process QC were trained well.	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 <i>Company Size Evaluation Table</i> ? (Time period is based on 12 months prior to on site audit)	The estimated production capacity was RMB 200,000,000 from Jan. 2011 to Dec. 2011; namely USD 29.62 million. 90% of products were exported to overseas market.	Estimated Production Capacity Yes
This audit module belongs to Quasi-GMC Requirement			
a. 2)	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 <i>Company Size Evaluation Table</i> ? (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 factory submitted the <i>Company Size Evaluation Table</i> .	Yes
d.	What percentage of the total output capacity does the current production cover?	The factory's facility currently is running at 100% of total capacity.	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?	There are 8 people in the foreign trade department. And the name list with education level and working experiences was available. They have about 1 year experience in foreign trade.	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)?	Based on the interview with the foreign trading staffs, they have adequate experience.	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 trading team of the factory holds a clear organizational structure.	Yes
f.	Copy of above evidence	The copy of above evidences 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?	There are 5 people in R&D Department for foreign trade products. They have above 1 year experience in product development.	Yes
b.	Has the factory had successful R&D projects? (e.g. Patent Certificate for at least one product)	No patent was available.	No
c.	Does the factory have the relevant design output, verification, validation documentation in Product Improvement Program?	The factory has the relevant design output, verification, validation documentation in product Improvement Program.	Yes
d.	Does the factory have a systematic method (e.g. IECQ QC080000) to avoid adopting the hazardous and environmentally sensitive materials in design & production process?	The material regarding to client special requirement was provided material testing report by supplier.	Yes
e.	Is the factory equipped with suitable staff and instruments or apparatus based on on-site observation?	The factory equips with the suitable staff and instruments.	Yes
f.	Was the practical sample presented in show room, R&D dept. or exhibition hall?	Practical samples were presented in show room during audit.	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 <i>No illegal records or fraud in business behavior</i> which is drafted by Global Market?	The factory has signed it on 28 March 2011.	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 is obtained the award of <i>Guangdong Top Brand</i> on 2009.	Yes
d.	Does the factory participate in the social commonweal or charity campaigns on average annually?	The factory made donation for Wenchuan earthquake disaster in 2008.	Yes
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 did not obtain SA 8000 certification.	No
b.	Is it confirmed that there's no child labor in the factory?	No child labor was found.	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.	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.	Yes
e.	Does the factory own the unionist or regulations of trade union or union movement?	The factory did not own the trade union.	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.	Yes
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8.2 About Environment

Item	The Checking Points	Evidences	Judgments
a.	Has the factory ever been certified with ISO 14001?	The factory did not obtain ISO 14001 certification.	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 approval report was available which is issued by 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 the plant tour, no pollution was generated in the production process. The factory is under the environment control. Useless material will be collected and sold, and local EPB will inspect the factory without day.	Yes

8.3 About Safety

Item	The Checking Points	Evidences	Judgments
a.	Has the factory ever been certified with OHSAS 18001?	The factory did not obtain OHSAS18001 Certificate.	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?	The approval report was available which was issued by local Fire Bureau on 19 November 2002. The no. is <i>zhonggongxiaoyan[2002]00661.</i>	Yes

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 the plant tour, there was no hidden trouble of fire and pollution hazard emitted from the factory. Exit and pathway were 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 10% for OEM.	Yes
b.	Is it contracted volume of ODM*?	It is accounted 70% for ODM.	Yes
c.	Is it contracted volume of OBM*?	It is accounted 20% 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 factory's experience of production and delivery is more than 1 year.	Yes
e.	What was the overall performance of quality and on-time delivery during the past year at factory?	It is accounted 90% for quality. It is accounted 90% 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 surveillance of QMS should be done accordingly, and the external audit reports should be kept well.
2	It is suggested that the factory had better apply the patent certificate for the successful R&D projects.
3	It is suggested that the factory should own the unionist or regulations of trade union or union movement.
4	It is suggested that the factory should obtain the approval report about environment management/control which is issued by local Environmental Protection Bureau.
6	It is suggested that the factory had better obtain SA8000, ISO14001 and OHSAS18001 certificate to increase the competitiveness.

Factory Tour

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



FACTORY GATE



SHOW ROOM-1



SHOW ROOM-2



SHOW ROOM-3



HONOR



WAVE CREST WELDING MACHINE



ASSEMBLING LINE-1



ASSEMBLING LINE-2



ASSEMBLING LINE-3



INCOMING MATERIAL WAREHOUSE



FINISHED GOODS WAREHOUSE



ACCOMMODATION

Final Evaluation

Audit No.	Company Name	Result
16030320	Zhongshan Wanlitong Antenna Equipment Co., Ltd.	PASSED GMC

Qualification

Audit Module	Results
The Business Registration	Yes
Quality Management System	Yes
Product Certification / Approvals	Yes
Company Size Assessment (USD 25 Million)	Yes, Reached
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.

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