



BUREAU
VERITAS

BUREAU VERITAS / GLOBAL SOURCES SUPPLIER CAPABILITY ASSESSMENT

BV Report No.: 1007XXXXXXXX

Assessed Factory Name	<u>Dynamic Exports Co. Ltd</u>
Assessed Factory Address	<u>XXXX District, Shenzhen City, Guangdong Province, China</u>
City / Country	<u>Shenzhen/China</u>
Consigner of Assessment	<u>XXXXXXX Holdings Limited</u>
GS Supplier / Manufacturer No.	<u>8800XXXXXX</u>
Date of Assessment	<u>1-Sep-07</u>
Expiry Date (12 months validity)	<u>5-Sep-08</u>
Name of Assessor	<u>Shamoer Liu</u>
Reviewed by	<u>Suiki Xie</u>

Bureau Veritas Consumer Products Services division in collaboration with Global Sources has developed a new "Supplier Capability Assessment" program which has been based on good practice principals used by international retailers and brands. The objective of validating supplier information is to provide additional confidence to buyers so that they know the information has been verified by an independent third party.

The Bureau Veritas "Supplier Capability Assessment" program is not designed to be a performance standard but rather an information validation program against an established criterion providing potential buyers with information on the establishments stated claims and capabilities. The criteria used to assess the "Supplier Capability Assessment" program consist of a questionnaire with the following categories:

1. Factory Overview
2. Legal Entity
3. Personnel
4. Export Markets
5. Key Clients
6. Product Capabilities
7. Production Capabilities
8. Management Systems & Accreditations
9. Quality Control Management
10. Development / Expansion Plans

The above reflects our findings for the particular factory in concern on the date of our service only. This report does not certify, confirm or imply: a) compliance with any government, industry or association regulations or standards, unless stated otherwise; or, b) the quality of any specific products manufactured by the factory/sellers/suppliers; or, c) the shipment of any specific products. This report does not discharge or release the factory/sellers/suppliers from their commercial, legal or contractual obligations with buyers in respect of products manufactured by the factory/sellers/suppliers. Our services, including reports and certificates, are subject to the General Conditions of Service of Bureau Veritas which have been sent to your company. They can be resent upon written request. This report cannot be partially copied. Any reader other than the party for which this report has been specifically issued is hereby informed that the General Conditions of Service of Bureau Veritas contain liability limitation provisions.

1. Factory Overview

Factory Name	Dynamic Exports Co. Ltd		
Factory Address	XXXX District, Shenzhen City, Guangdong Province, China		
Factory Phone Number	86-755-2961XXXX		
Factory Fax Number	86-755-2961XXXX		
URL/Web Address	www.XXXX.cn		
Name of Contact	Mr. ABC		
E-mail address	ABC@XXXX.cn		
Year Established	Jun-05	Number of Dormitories	3
Number of Buildings	1 production building with 5 floors and 3 dormitory buildings with 8 floors	Total Dormitory Capacity (beds)	5,300
Total Production Area M2	100,000 sqm	Percentage of Workers in residence	90%
Factory Capital Investment	RMB200,000,000		
A Subsidiary Factory of	N/A		
Type of Ownership	<input checked="" type="checkbox"/> Privately Owned <input type="checkbox"/> Public Company <input type="checkbox"/> Joint Venture <input type="checkbox"/> Stated Owned <input type="checkbox"/> Proprietorship		
Principle/Owner	Mr. ABC	E-mail:	ABC@XXXX.cn
	Mr. ABC	E-mail:	Not provided
	Mr. ABC	E-mail:	Not provided
	Mr. ABC	E-mail:	ABC@XXXX.cn
	Ms. ABC	E-mail:	Not provided
Supplier / Factory Relationship	<input type="checkbox"/> shareholder/partner <input checked="" type="checkbox"/> Wholly Owned <input type="checkbox"/> Capacity Contract <input type="checkbox"/> Historical Working relationship		
Valid Product liability insurance	<input type="checkbox"/> Y, <input checked="" type="checkbox"/> N	Expiry date	N/A
Valid Product recall insurance	<input type="checkbox"/> Y, <input checked="" type="checkbox"/> N	Expiry date	N/A

2. Legal Entity

Does the factory have a valid business license which accurately reflect the current operations?	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
Registration number	4403011XXXXXX
<input type="checkbox"/> manufacturer <input type="checkbox"/> export trading <input checked="" type="checkbox"/> both	
Date of Registration	9/28/2002
Valid period	9/28/2012
Name of Corporative Representative	Mr. ABC
Is the annual review done by the local authority, e.g., Industrial & Commerical Bureau? (please specify)	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N Shenzhen Commercial and administration Bureau

3. Personnel

Key Staff	Name	Tel	E-mail	Year(s) in Position	Year(s) at Company
General Manager	Mr. ABC	86-755-2961XXXX	ABC@XXXX.cn	1	10
Quality/Technical Manager	Mr. ABC	86-755-2961XXXX	ABC@XXXX.cn	5	6
Production Manager	Mr. ABC	86-755-2961XXXX	Nil	3	5
R & D Manager	Mr. ABC	86-755-2961XXXX	ABC@XXXX.cn	4	6
Health & Safety Officer	Mr. ABC	86-755-2961XXXX	ABC@XXXX.cn	3	7
Security Representative/Officer	Mr. ABC	86-755-2961XXXX	Nil	3	3
Equipment Maintenance	Mr. ABC	86-755-2961XXXX	Nil	3	3
Others (please specify)					
Does QA/QC Manager have responsibilities other than quality? If "YES", please specify.	<input type="checkbox"/> Y, <input checked="" type="checkbox"/> N N/A				

Personnel / Headcount by Department

Department	Full time	Part time	Total
Marketing	41		41
General manager office	15		15
Purchase	16		16
Administration	140		140
Design and development	77		77
QA/QC	432		432
Customer service	160		160
Mould making	71		71
Injection molding	208		208
Silk screen printing and spray painting	229		229
Assembly and packing	650		650
Warehouse	106		106
SMT	99		99
Welding	415		415
PCB bonding	80		80
Others	262		262
Total:			3001

4. Export Markets

Markets	Total Units Exported (annual)	% of Total Business Volume
<input checked="" type="checkbox"/> U.S. / North America	296,090	2.27%
<input checked="" type="checkbox"/> E.U.	1,338,570	2.35%
<input checked="" type="checkbox"/> Asia	3,720,394	59.16%
<input checked="" type="checkbox"/> Others	339,400	24.21%
<input checked="" type="checkbox"/> Domestic	1,843,718	12.01%
Annual \$ Volume in (last year)	56,997,708 USD	
Estimated Annual \$ Volume (this year)	100,000,000 USD	

5. Key Clients (past 12 months)

Customers	% Business	Type of Products
Client A	15%	Caller ID phone, Multi-function telephone
Client B	12%	Caller ID phone, TAD box.
Client C	10%	Caller ID phone, Multi-function telephone
Client D	7%	Caller ID phone, Multi-function telephone
Client E	6%	Caller ID phone, Multi-function telephone

6. Product Capabilities (previous 12 months)

Product Description / Category	Production Capacity		
	Total Installed capacity (units)	Actual Units Shipped	% Installed Capacity
Base Telephone	5,000,000	2,000,000	40%
Caller ID Phone	3,000,000	2,000,000	67%
SMS Phone	150,000	50,000	33%
Dect Phone	1,000,000	600,000	60%
FWP/FWT Phone	100,000	100,000	100%
Mobile Phone	1,000,000	1,000,000	100%

7. Production Capabilities

How many production lines are in the factory?		13	
How many employees are working in each line?	Supervisor:	7	
	Workers / operators:	130	
	In-line QC:	26	
	Helpers:	5	
	Total per line	168	X lines = 2184
What is the factory's projected average production capacity per month / year of each line?	monthly	1,100,000	annually 11,200,000
What is the factory's projected average lead time from PO confirmation to production EX WORKS delivery?	days	45 days	
Please describe the factory's production process flow. * see attachments for further detail		Injection molding, Spray painting, Silk screen printing, Pad printing, SMT, PCB bonding, Welding, Assembly and Packing	
Does the assessed facility have the correct machinery types and infrastructure to produce the claimed products?		Yes	
Please list out the major machinery / utilities in the factory.			

List of Major Machinery / Utilities

Name of machinery	Type / Model	Specification	Quantity	Year Made	Service Date	Condition
CNC Precision Machining Machine	HC658 (1 set), NC4000 (1 set), V33 (1 Set)	/	3 sets	2004	2005	Acceptable
Hyperspark Machining Machine	Hysterstar(2 sets), Edge (2 sets), MP-50(3 sets)	/	7 sets	2004	2005	Acceptable
Wire-cut Machine	CNC-10	/	4 sets	2004	2005	Acceptable
Milling machine	XJ5525	/	8 sets	2005	2005	Acceptable
Grinding machine	MYS7120	/	4 sets	2004	2005	Acceptable
Lathe	CA-6140	/	1 set	2004	2005	Acceptable
Pad-printing machine	TIC-182SD	/	2 sets	2000	2000	Acceptable
UV dryness machine	380V 50/60 HZ	/	3 sets	1997	1997	Acceptable
Bonding machine	CT-2300	/	10 sets	2006	2006	Acceptable
Wave crest soldering machine	WTB-300	/	10 sets	2002-2005	2002-2005	Acceptable
Jumper Wire Forming Machine	JP-300	/	21 sets	2005	2005	Acceptable
SMT	JUKIKE	/	5 sets	2005(2 sets), 2006(2 sets), 2007(1 set)	2005(2 sets), 2006(2 sets), 2007(2 set)	Acceptable
Injection Molding Machine	HTF120(9 sets), HTF160(8 sets), HTF86(7 sets), 105 TN(20 sets), 145-NT(10 sets), 185-NT(9 sets), 255-TN(5 sets) 405-TN(1 set)	/	69 sets	2000(34 sets), 2004(13 sets), 2005(25 sets)	2000(34 sets), 2004(13 sets), 2005(25 sets)	Acceptable

If the factory subcontracts any work, please specify the details.

List of Subcontractors

Name of Subcontractors	Process involved	Address
ABD Co., Ltd.	Assembly	XXXX District, Shenzhen City, Guangdong Province, China

8. Management Systems and Accreditation

(please attach copies of each)

Accreditation		Certifying Body		
		Date	Expiry	
ISO 9001:2000	[X]Y, []N	CQC	21-Aug-06	20-Aug-09
ISO 14000	[X]Y, []N	DNV	28-Aug-06	7-Dec-08
BRC Standard - Consumer Products	[]Y, [X]N			
SA 8000	[]Y, [X]N			
WRAP	[]Y, [X]N			
Others (please specify):	OHSAS 18001: 1999 Certifying body: DNV, Certifying date: August 28, 2006, Expiry date: December 7, 2008			

Is product certification done in terms of selling designation (e.g., UL for US, CCC for China, CE for Europe...) at the factory? if Yes, please specify	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N	Certifying Body	Date	Expiry
		CCC for China	CQC	Sep. 30, 05
		CCC for China	Electromagnetism Compatible Center	Nov. 14, 06
		CE for Europe	EMTEK	Feb. 21-22, 06

9. Quality Control Management

Is quality monitored on all relevant line operations?	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
Are QA/QC inspectors independent of production?	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
Who does the QC/QA Manager/Supervisor report to?	Mr. ABC / General Manager
How many QA/QC in total?	Final: 24 In-line: 360
Are there designated on-line inspection/test areas?	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
Are production inspection records kept? How long?	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N One year
Do inspectors conduct spot-checking in accordance with specifications during In-process or Final inspection?	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
Do you test functionality of product items on sight?	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
Types of Final Inspections (if no final inspection, please select "No"; if yes please select the type below):	<input type="checkbox"/> Y, <input type="checkbox"/> N
100 % Inspection	<input type="checkbox"/> Y, <input type="checkbox"/> N
Selected samples	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
If yes, please specify the sampling plan used:	GB2828.1-2003, Single, Normal, Level I, AQL: Cri/0, Maj/0.65, Min/2.5
Are rejected pieces 100 % re-inspected by inspector after repair ?	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
If the answer above is "No", are the rejected pieces discarded ?	<input type="checkbox"/> Y, <input type="checkbox"/> N

10. Factory Development / Expansion Plans

Item	Factory Development Projects / Actions	Time Frame
Telephone	Make out several new models	Will be finished at the end of Sep. 2007
FWP/FWT	R&D Several new models (for outlook and function)	Will be finished at the beginning of Oct. 2007
Mobiel phones	a few new models will be come out for every month	The end of each month

Please see the attached annex:

- A. Photos.
- B. Flow chart of manufacturing processes.
- C. Organization chart.
- D. Copy(ies) of Quality Management System Certificate (if any).

Attachment A:

Digital Photo Records

		
(1) Facility exterior view	(2) Facility name	(3) Regrinding area
		
(4) Mixing area	(5) Injection molding workshop	(6) Assembly workshop
		
(7) In line testing area	(8) Welding workshop	(9) PCB bonding workshop
		
(10) Pad-printing area	(11) UV firing area	(12) SMT workshop



(13) Silk-screen printing workshop



(14) Mould making workshop



(15) Spray painting workshop



(16) Packing area



(17) Plastic material warehouse



(18) Electrical material warehouse



(19) Accessory material warehouse



(20) Semi-finished products warehouse



(21) Finished products warehouse



(22) Dining room



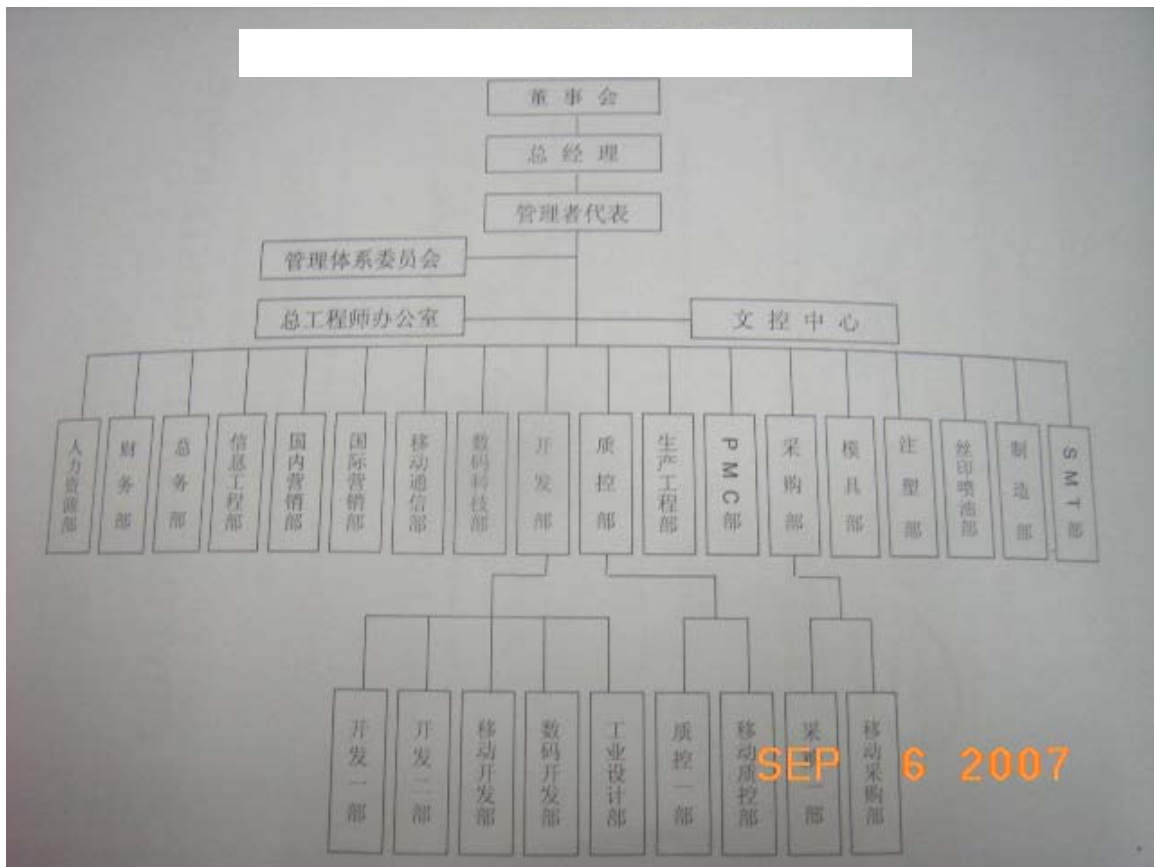
(23) Kitchen



(24) Dormitory exterior view

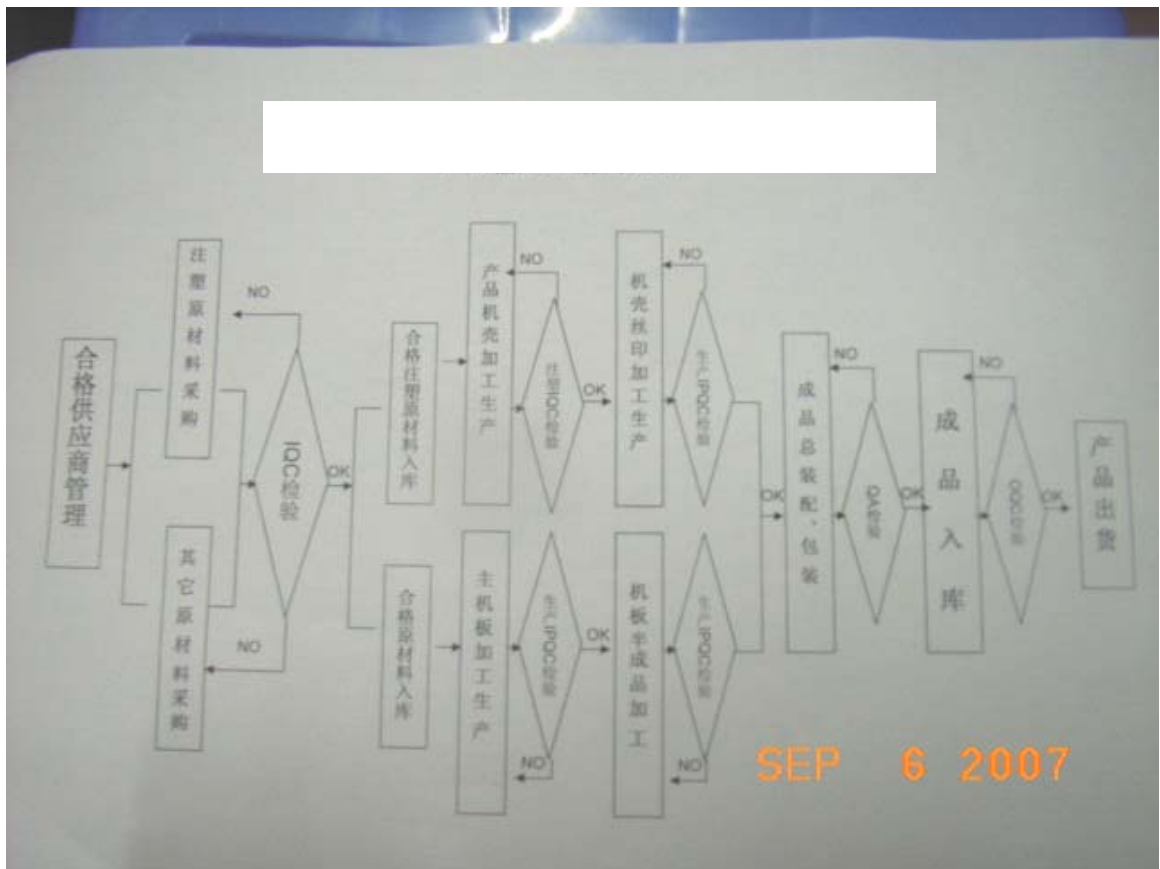
Attachment B:

Factory organization chart



Attachment C:

Product production process chart



Attachment D:

ISO9001:2000 Certificate

