



## Production Audit Report

*Presented to*

**Wenzhou Zhulian Industrial Co., Ltd.**

**温州珠联实业有限公司**

Gold Supplier & Audited Company Relationship	<input checked="" type="checkbox"/> Wholly Owned <input type="checkbox"/> Shareholder/Partner <input type="checkbox"/> Capacity Contract
Company Address:	NO.B305, Binhai Industrial Park, Economic & Technological Development Zone, Wenzhou City, Zhejiang Province, China
City / Country:	Wenzhou/China
Consigner of Audit Report:	Alibaba
Gold Supplier Member ID:	cnlatexbedding
Gold Supplier Company Name:	Wenzhou Zhulian Industrial Co., Ltd.
Contact Person:	XiaoJing Jia
Phone Number:	0086-577-28852589
Fax Number:	0086-577-28818589
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*Service provided by Intertek*  
*Report No.: 201101170001617\_1-P*



Report Number:	201101170001617_1-P	Audit Report Type:	Production Assessment
Date of Audit:	25 <sup>th</sup> Feb.2011	Report Date:	26 <sup>th</sup> Feb.2011
Audited By:	Roger.Lv	Validity Period:	26 <sup>th</sup> Feb.2011-25 <sup>th</sup> Feb.2012
Reviewed By:	Lee Ren	Online Report:	www.intertek sha.com/certification

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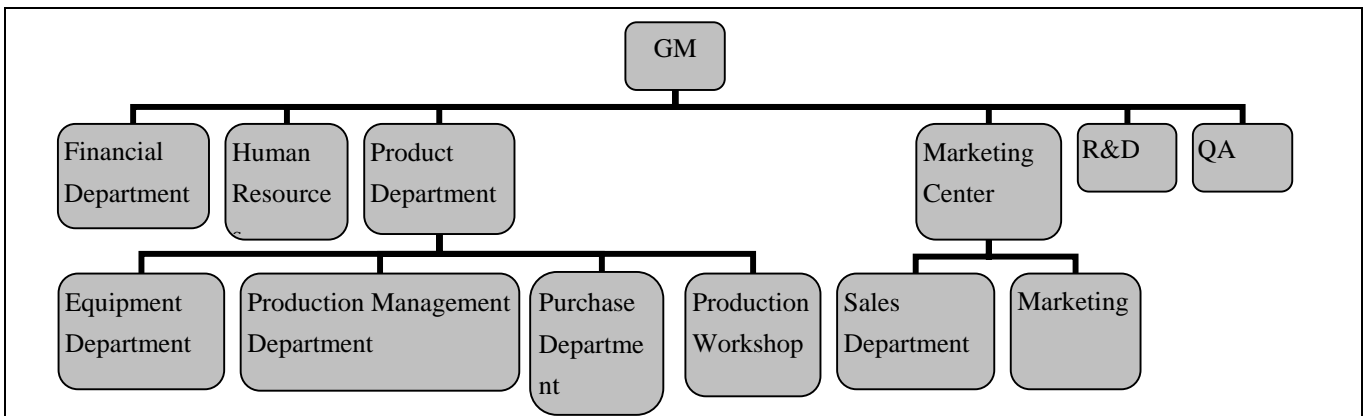
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## Section 1: Company Overview

Company Overview			
1.1 Legal Validity			
Does the company have a valid business license?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Business License Number:	330305400000778
Year Established:	10 <sup>th</sup> Jul.2002	Validity Period:	10 <sup>th</sup> Jul.2002-10 <sup>th</sup> Jul.2052
Registered Address:	NO.B305, Binhai Industrial Park, Econmic & Technological Development Zone, Wenzhou City, Zhejiang Province, China		
Company Address:	NO.B305, Binhai Industrial Park, Econmic & Technological Development Zone, Wenzhou City, Zhejiang Province, China		
Annual review conducted by the Industrial & Commercial Bureau?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Reviewed By:	Industrial and Commercial Bureau of Wenzhou City
Registered Capital:	5.6 million USD		
Corporate Representative:	Baorong Jin		
Industry:	Latex products		
Business Type:	<input type="checkbox"/> Manufacturer <input type="checkbox"/> Trading Company <input checked="" type="checkbox"/> Combined <input type="checkbox"/> Private Owner <input type="checkbox"/> Public Company <input checked="" type="checkbox"/> Joint Venture <input type="checkbox"/> Stated Owned <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other		
Type of Ownership:			
Products Manufactured:	Latex pillow, latex mattress		
1.2 Company Building Information			
Certification Type: <input checked="" type="checkbox"/> Land Certification <input type="checkbox"/> Real Estate Certification <input type="checkbox"/> Lease Agreement+ Actually Observed <input type="checkbox"/> Factory Officer Claimed			
Total Building Size (m2): <u>20502.19</u>			
Number of Building(s) : <u>5</u>			

## Section 2: Human Resources

Human Resources	
2.1 Company Chart	



### 2.2 Employee Headcount

Department Name	Full Time Employee(s)	Part-Time Employee(s)	Total
GM	1	0	1
Financial Department	6	1	7
Human Resources	16	0	16
Product Department	2	0	2
Marketing Center	2	0	2
R&D	4	2	6
QA	13	0	13
Equipment Department	10	0	10
Production Management Department	5	0	5
Purchase Department	3	0	3
Production Workshop	159	0	159
Sales Department	25	0	25
Marketing	5	0	5
<b>Total Number:</b>	<b>251</b>	<b>3</b>	<b>254</b>

### 2.3 Management

Department	Name	Title	Education	Year(s) in Current Company
GM	Yougang Jia	GM	High School	3
Financial Department	Fudong Wu	Director	Graduate	3
Human Resources	Fengfang Yang	Manager	Junior College	2
Product Department	Aizhong Hu	Director	High School	3
Marketing Center	Xiaojing Jia	Director	Graduate	3
R&D	Haisheng Tang	Director	Post-Graduate	3
QA	Huan Wang	Manager	Graduate	2

Equipment Department	Qinjun Su	Manager	High School	3
Production Management Department	Jisheng Ying	Manager	Graduate	3
Purchase Department	Guo Zhang	Manager	Junior College	3
Production Workshop	Shuqiang Wang	Manager	Junior College	3
Sales Department	Weiwei Shen	Manager	Graduate	3
Marketing	Yakai Guo	Manager	Graduate	2

### Section 3: Production Capacity

Production Capacity				
<b>3.1 Annual Production Capacity (Previous Year)</b>				
3135000 pieces				
<b>3.2 Production Capacity</b>				
Product Name	Production Line Capacity	Actual Units Produced (Previous Year)		
Latex Pillow	4620000 pieces	2310000 pieces		
Latex Mattress	1650000 pieces	825000 pieces		
<b>3.3 Production Machinery</b>				
Machine Name	Brand & Model No.	Quantity	Number of Year(s) Used	Condition
Semi-automatic TALALAY Pillow Inner Production Line	TB-42	1	1	Good
Semi-automatic TALALAY Mattress Production Line	TBC-20	1	2	Good
DUNLOPILLO Mattress Full-automatic Production Line	CA-3000	1	1	Good
DUNLOPILLO Mattress Full-automatic Production Line	ZA-156	2	1	Good
Micro-wave Dry Line	DW-40M	1	2	Good
Mattress Modeling Production Line	TFP-40	1	2	Good

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Full-automatic Heat Energy Sheet-Line	AP-50M	1	1	Good
Computerized Automatic Vapor Stoving Line	DZ-40M	1	2	Good
Screw Compressor Units	JYSLG20F-CVX8	2	2	Good
NC Sponge Cutting Machine	HK-362/CF9	1	2	Good
Environmental Protection Equipments Set	WSHB-900	1	2	Good
Sheet Perforating Production Line	C5-10	1	2	Good
Shuttleless Computerized Quilting Machine	HY-W-JH	1	2	Good
Computerized Automatic Overturn Surrounding Edge Machine	WB-4	1	2	Good

### 3.4 Testing Machinery

Machine Name	Brand & Model No.	Quantity	Number of Year(s) Used	Condition
Needle Detector Machine	PTJ-1000BC	1	3	Good
Moisture Measurement Instrument	MC-7806	12	3	Good

### 3.5 Subcontractors

Subcontractor Name	Product Subcontracted	Volume Supplied	Cooperation Period (Years)
None			

## Section 4: Quality Assurance

### Quality Management System and Product Certification

#### 4.1 Quality Management System Certification

Certification	Certified By	Certificate No.	Business Scope	Expiry Date
ISO9001:2008	China Quality Certification Centre	00109Q212375RO M/3302	The Designing, Production and Service of Latex Pillow and Mattress	15 <sup>th</sup> Oct.2009-14 <sup>th</sup> Oct.2012
ISO14001:2004	China Quality Certification Centre	00110E20439RO M/3302	The Designing, Production and Service of Latex Pillow and Mattress	08 <sup>th</sup> Mar.2010-07 <sup>th</sup> Mar.2013

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4.2 Product Certification				
Certification	Certified By	Certificate No.	Product Name & Model No.	Expiry Date
Test of latex foam core according to the IKEA(AA-77005-2;IOS-MAT-0012;Version 2006-01-20)test Specification for "Latex foam cores"	Textiles & Flooring Institute GmbH	391541-01	Latex Mattress	NA
BS7177:2008	SGS	AJD2903124	Latex Mattress	NA
BS5852 PART 2:1982	SGS	AJD2903123	Latex Pillow	NA
4.3 Quality Control Management				
	Content	Observations /Comments		
4.3.1	Is there quality control on all production lines?	<input checked="" type="checkbox"/> Yes, all production lines have adequate quality control <input type="checkbox"/> Yes, some production lines have adequate quality control <input type="checkbox"/> No		
4.3.2	Do the QA/QC inspectors work independently from the production line?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
4.3.3	Who does the QC/QA Manager /Supervisor report to?	Yougang Jia		
4.3.4	How many QA/QC inspectors in total?	12		
No. of Employees in Each Production Line:				
Production Line	Supervisor	No. of Operators	No. of In-line QC/QA	
Latex pillow	4	83	8	
Latex Mattress	2	62	4	
4.4 Supplier Management				
	Content	Observations /Comments		
4.4.1	Does the company have an supplier assessment procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
4.4.2	Does the company have an updated list of approved suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		



4.4.3	Does the company establish and implement a standard procedure for purchasing contract review and approval?	<input checked="" type="checkbox"/> Yes, with written standard procedures <input type="checkbox"/> Yes, with written procedure but lack of consistent standard <input type="checkbox"/> No
4.4.4	Does the company keep its Supplier Assessment Reports?	<input type="checkbox"/> Yes, Assessment Reports are available for more than 3 years <input type="checkbox"/> Yes, Assessment Reports are available for the last 1-3 years <input checked="" type="checkbox"/> Yes, Assessment Reports are available for the previous 12 months <input type="checkbox"/> No
4.4.5	Are the company's purchasing documents sufficient to ensure product safety control and their customers' requirements?	<input checked="" type="checkbox"/> Yes, the purchasing document includes all the information required <input type="checkbox"/> Yes, however the purchasing document includes incomplete information <input type="checkbox"/> No
4.4.6	Is there a procedure to conduct random product inspections after final packaging?	<input checked="" type="checkbox"/> Yes, with clear standard and written inspection records <input type="checkbox"/> Yes, with inspection records but no procedures <input type="checkbox"/> Yes, with procedures but no inspection records <input type="checkbox"/> No, inspections are not necessary

**4.5 After Sales Service**

	Content	Observations /Comments
4.5.1	Is customer feedback, including complaints, clearly recorded and maintained?	<input checked="" type="checkbox"/> Yes, with a standard feedback form and records <input type="checkbox"/> Yes, with a standard feedback form but no records <input type="checkbox"/> Yes, with records but no standard feedback form <input type="checkbox"/> No
4.5.2	Are there any clear procedures for handling customer complaints?	<input checked="" type="checkbox"/> Yes, with clear procedures and written records <input type="checkbox"/> Yes, with clear procedures but no written records <input type="checkbox"/> Yes, with written records but no clear procedures <input type="checkbox"/> No
4.5.3	Is there a closed-loop corrective action system in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.5.4	Can finished/package products be traced by lot identification to the appropriate raw material test reports?	<input type="checkbox"/> Yes, with procedures to trace raw materials <input checked="" type="checkbox"/> Yes, main raw material can be traced <input type="checkbox"/> No, only the production date can be traced <input type="checkbox"/> No
4.5.5	Is there a product alert and recall procedure?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## Section 5: Production Process Management

Section 5: Quality Control Management		
	Content	Observations /Comments
5.1	Is the factory tidy and clean enough for production?	<input type="checkbox"/> Yes, very good <input checked="" type="checkbox"/> Yes, acceptable <input type="checkbox"/> No, needs improvement <input type="checkbox"/> No, very poor
5.2	Are the following items /documents provided at the appropriate location?	<input checked="" type="checkbox"/> Work Instructions <input type="checkbox"/> Approved sample <input type="checkbox"/> Product picture <input type="checkbox"/> No, the above mentioned was not available
5.3	Are written instructions available for onsite material inspection/testing? Are the relevant records maintained?	<input checked="" type="checkbox"/> Yes, with clear written instructions and records <input type="checkbox"/> Yes, with written instructions but no records <input type="checkbox"/> Yes, with records but no written instructions <input type="checkbox"/> No
5.4	Are written inspection/testing instructions available for finished products? Are the relevant records maintained?	<input checked="" type="checkbox"/> Yes, with clear written instructions and records <input type="checkbox"/> Yes, with written instructions but no records <input type="checkbox"/> Yes, with records but no written instructions <input type="checkbox"/> No
5.5	How are finished products inspected?	<input checked="" type="checkbox"/> 100% of products with detailed inspection <input type="checkbox"/> Random inspection <input type="checkbox"/> No inspection <input type="checkbox"/> No inspection necessary
5.6	Are units that failed inspection clearly marked and separated to prevent accidental dispatch?	<input checked="" type="checkbox"/> Yes, the units are separated and marked clearly <input type="checkbox"/> Yes, the units are separated but not marked clearly <input type="checkbox"/> No
5.7	How are finished products that failed inspection handled?	<input checked="" type="checkbox"/> Repaired and re-inspected <input type="checkbox"/> Thrown away <input type="checkbox"/> No inspection necessary

## Section 6: R & D Capacity

R&D Capacity	
6.1 Current Situation	

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There is/are <u>  6  </u> R&D Engineer(s) in the company.				
Education Level	Headcount		Work Experience	Headcount
Doctorate	2		Over 30 Years	0
Post-Graduate	1		21-30 Years	0
Graduate	3		11-20 Years	0
Junior College	0		6-10 Years	6
Technical School	0		2-5 Years	0
High School	0		Less than 2 years	0
List of successful project(s) (Example: Patented products):		None		
Does the company have its own brand?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If yes, please specify:		None		
Does the company provide ODM service for others?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Are there relevant design input/output, review, and verification documents available for the assessment company?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Based on inspection, are R & D employees equipped with adequate specialized equipment?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, please list all key equipment used:		Screw Rod Type Air Compressors, Hydroextractor, High Efficiency Micro-wave Dryer, Industry Refrigerator, Foaming Machine, Shuttleless Computerized Quilting Machine		
Do R& D employees use any specific software for designing new products?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, please list the main software used:		FAS,CAD		
Please list all certifications and/or qualifications of the R & D department:		None		

## Section 7: Company Development / Expansion Plans

Company Development / Expansion Plans				
	Company Development Action	Timeframe		
1	Spend 70 million RMB to build the new factory	2014		
2	Spend 120 million increase production equipment	2014		

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3	Spend 100 million for marketing	2012
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## Section 8: Production Flow

Production Flow					
No	Production Process	No	Production Process	No	Production Process
1		2		3	
	Ammonia Removal		Foaming		Molding
4		5		6	
	Drying		Check		Sheet production line

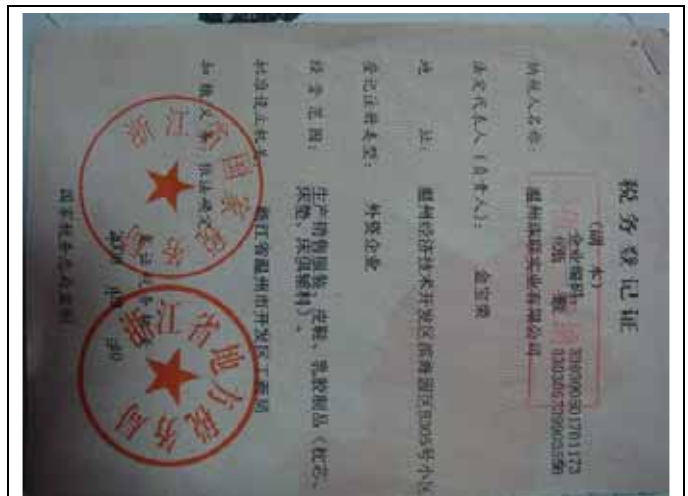
## Section 9: Certification & Photos

Certification	
Business License(Original)	Business License(Duplicate)
	
Tax Registration Certificate(Original)	Tax Registration Certificate(Duplicate)

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Organization Code Certificate



Permit for Opening Bank Account



Land Certificate



Import and Export Enterprise Registration



ISO9001:2008



ISO14001:2004

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**Test Report: IKEA(AA-77005-2;IOS-MAT-0012; Version 2006-01-20)**



**Test Report: Bioassay Method To Tetranychus Cinnabarinus**



**Test Report: BS5852 PART 2:1982**



**Test Report: BS7177:2008**



## Section 10: Company and Product Samples

Company and Product Samples	
<p><b>Company Gate</b></p> 	<p><b>Office</b></p> 
<p><b>Workshop</b></p>	<p><b>Product Sample</b></p>

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**Product Sample**



**Product Sample**



**Product Sample**



**Product Sample**



-- End of Report --

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