

SUPPLIER CAPABILITY ASSESSMENT

General Details

Factory Name	Guangzhou Zexin Leather Co Ltd
Factory and Audit Location	B Building, No. 788 European Industrial Zone, Yiqun Village, Shiling Town, Huadu District, Guangzhou City, Guangdong province, China.
Audit date	25 July 2016
Supplier Name	Guangzhou Zexin Leather Co Ltd
Registered Company Name	Guangzhou Zexin Leather Co Ltd
Supplier Location	B Building, No. 788 European Industrial Zone, Yiqun Village, Shiling Town, Huadu District, Guangzhou City, Guangdong province, China.
Business Registered Address	B Building, No. 788 European Industrial Zone, Yiqun Village, Shiling Town, Huadu District, Guangzhou City, Guangdong province, China.
Business Registration Number	9144011456396353XR
Objective of this Audit	This Site Verification is intended to confirm that data provided by the company matches the actual situation at the site. The document should assist prospective buyers in their process of qualifying potential factories
Products being produced in the factory	PU handbags, PU backpack, leather handbags, canvas bag and purse
Validity Period	Valid since 28 October 2010 and no expiration date in the Business License
Supplier & Factory relationship	Self-owned

Executive Summary

Guangzhou Zexin Leather Co Ltd was established in 2010 and is located at B Building, No. 788 European Industrial Zone, Yiqun Village, Shiling Town, Huadu District, Guangzhou City, Guangdong province, China.

The factory occupies half of ground floor, floor 2 and floor 3 of one five-storey building for production, warehouse and office, and floor 6 of another six-storey building for canteen and dormitory. Total area is about 4,000 square meters.

Total number of employees is 62.

Type of ownership is privately owned.

The factory specializes in the production of PU handbags, PU backpack, leather handbags, canvas bag and purse. Main production processes are incoming materials, cutting, edge painting, sewing, spraying, hand working, inspection and trimming, assembly and packing.

Monthly capacities: about 80,000 pieces.

Current Export Markets: Europe and United States.

Audited by		Checked by		Approved by	
Name	Grace Cao	Name	Kelly Pan	Name	Harry Lin
Title	Auditor	Title	Audit coordinator	Title	CSR & Factory Audit Manager
Date	25 July 2016	Date	28 July 2016	Date	28 July 2016

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The above reflects our findings for the particular factory in concern on the date of our service only. The 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 TSGI, 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 TSGI contain liability limitation provisions. No documentation or records were reviewed to verify the factory representative's statements.

Section 1: General Information

Business Type: Manufacturer <input type="button" value="Documented"/> Sales Service Provider <input type="button" value="Observed"/>	Current Export Markets/Countries: Europe and United States <input type="button" value="Documented"/>
Total Capitalization USD15,000,000 <input type="button" value="Documented"/>	Total Annual Sales: USD15,000,000 <input type="button" value="Interviewed"/>
Year company was established: 28 October 2010 <input type="button" value="Documented"/>	Payment Terms: Telegraphic Transfer <input type="button" value="Documented"/> Letter of Credit <input type="button" value="Documented"/>
Major Customers:	Brand Names: Lane Bryant <input type="button" value="Documented"/> DEEPLY <input type="button" value="Documented"/> Lida Baday <input type="button" value="Documented"/> Meadham Kirchoff <input type="button" value="Documented"/> Creamy Rach <input type="button" value="Documented"/> Doo.Ri <input type="button" value="Documented"/> La Fee Verte <input type="button" value="Documented"/> Laugh Cry Repeat <input type="button" value="Documented"/> Caron Callahan <input type="button" value="Documented"/> Masseys <input type="button" value="Documented"/>
Type of ownership: Privately Owned <input type="button" value="Documented"/>	Export License: Customs Registration Number: 44019689ML <input type="button" value="Documented"/>
Nearest Airport & Distance by road from airport: 30 minutes by car <input type="button" value="Interviewed"/> from factory to Baiyun airport	Type of Products: PU handbags, PU backpack <input type="button" value="Documented"/> leather handbags, canvas bag and purse <input type="button" value="Observed"/>
Product Export Percentage: 90% <input type="button" value="Interviewed"/>	Certifications:
Test Reports:	Company Development /Expansion Plans:



Supplier Capability Assessment

Lab test report issued by SGS

Documented

Remark: **Documented** : Substantiated by documents provided to the auditor;

Interviewed : As stated by the supplier **Observed** Observed by the auditor at the factory

Section 2: Production Capabilities

Company building information: Rented Documented Interviewed	Number of Staff: 62 Documented
R & D Staff: 7 Interviewed	Number of Engineers:
Number of Subcontractors used by Factory: 10 Interviewed	Number of Production Lines: 4 Observed Interviewed
Factory Size: About 4,000 square meters Interviewed Observed	Factory Buildings: Half of ground floor, floor 2 Observed and floor 3 of one five-storey building Documented Interviewed
Dormitory Buildings: floor 6 of one six-storey building Observed Interviewed	Monthly Capacity: About 80,000 pieces/month Interviewed
OEM Capability: About 80,000 pieces/month Interviewed	Quality Control Responsibility: In-house Observed Documented

Description of Machinery Used						
Name of Machinery	Type / Model	Specification	Quantity	Year Made	Service Date	Condition
Die-Cutting Machine	TWO STEEL		2		2015	Acceptable
Skiving Machine	TK-801		2		2015	Acceptable
Mark pressing machine	SC80X50		2		2014	Acceptable
Folding Machine	ZF-801C		1		2010	Acceptable
Sewing Machine	TS-0302		60		2013	Acceptable
High Posted Sewing Machine	TS-8B		8		2014	Acceptable
Computerized Sewing Machine	PLK-E2010D		3		2014	Acceptable
Pole Sewing Machine	GH-8365		3		2014	Acceptable



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Section 3: Quality Systems

Quality is monitored on all line operations.
There are 3 quality control inspectors and they are independent from production.
Mr. Chen Zhu (Quality Manager) is in charge of Quality Management, he reports to Mr. Liu Hua Bin (Manager).
There is designated production line inspection area.
Based on document review and tour observation, inspectors conducted 100% in-process inspection.
Inspectors conduct spot-checking in accordance with specifications during final inspection
Incoming inspection records, in-process inspection records and final inspection records were maintained.
Rejected pieces are 100 % re-inspected by inspector after repair.

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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).

Digital Images



1. Factory entrance



2. Sample making workshop



3. Material warehouse



4. Cutting workshop



5. Edge painting area.



6. Sewing area



7. Spraying room



8. Hand working area



9. Inspection and trimming area



10. Assembly and packing area



11. Finished product storage area



12. Defective products



13. Dormitory



14. Canteen



15. Toilet



16. Drinking water



17. Fire fighting equipments



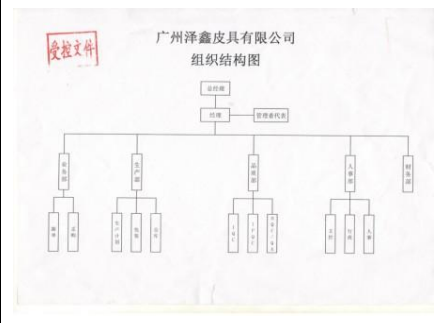
18. Trade mark (Lane Bryant)



19. Trade mark (DEEPLY)



20. Flow chart of manufacturing processes



21. Organization Chart



营业执照

(副本)

编号 S2112015010944 (1-1)

统一社会信用代码 9144011456396353XR

名 称	广州泽鑫皮具有限公司
类 型	有限责任公司(自然人投资或控股)
住 所	广州市花都区狮岭镇益群村欧洲工业园788号B栋 (可作厂房使用)
法 定 代 表 人	覃继艳
注 册 资 本	壹拾万元整
成 立 日 期	2010年10月28日
营 业 期 限	2010年10月28日 至 长期
经 营 范 围	皮革、毛皮、羽毛及其制品和制鞋业(具体经营项目请登录广州市商事主体信息公示平台查询。依法须经批准的项目,经相关部门批准后方可开展经营活动。)



登记机关

广州市花都区工商行政管理局

2016年 03月 07日