



## BUREAU VERITAS / GLOBAL SOURCES SUPPLIER CAPABILITY ASSESSMENT

**BV Report No.:** 10102280169

<b>Assessed Factory Name</b>	<b>Acuce Co., Ltd.</b>
<b>Assessed Factory Address</b>	<b>Block 5, Science &amp; Technology Industrial Park of Privately Owned Enterprises, Pingshan, Xili, Nanshan District, Shenzhen City, Guangdong Province, China</b>
<b>City / Country</b>	<b>Shenzhen/China</b>
<b>Consigner of Assessment</b>	<b>Acuce Co., Ltd.</b>
<b>GS Supplier / Manufacturer No.</b>	<b>8824686714</b>
<b>GS Supplier Name</b>	<b>Acuce Co., Ltd.</b>
<b>Date of Assessment</b>	<b>24-Aug-10</b>
<b>Expiry Date (12 months validity)</b>	<b>23-Aug-11</b>
<b>Name of Assessor</b>	<b>Eric Dong</b>
<b>Reviewed by</b>	<b>Mike Sui</b>

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. Vendor Contact information and Factory Overview

Vendor Name	Acuce Co., Ltd.		
Vendor Address	Block A, Huamei Business Building, Baoan District, Shenzhen City, Guangdong Province, China		
Vendor Phone Number	86-755-27563435		
Vendor Fax Number	86-755-29563817		
Vendor's URL/Web Address	<a href="http://www.acuce.com">www.acuce.com</a>		
Name of Vendor Contact	Mr. Lauce Wu / CEO		
E-mail address	<a href="mailto:lance@acuce.com">lance@acuce.com</a>		
Year Established of Factory	2004	Number of Dormitories	1
Number of Buildings of factory	1	Total Dormitory Capacity (beds)	1200
Total Production Area M <sup>2</sup>	30,000	Percentage of Workers in residence	100%
Factory Capital Investment	RMB 75,000,000		
A Subsidiary Factory of	N/A		
Type of Ownership	<input type="checkbox"/> Privately Owned	<input type="checkbox"/> Public Company	<input checked="" type="checkbox"/> Joint Ventur
	<input type="checkbox"/> Stated Owned	<input type="checkbox"/> Proprietorship	
Principle/Owner	Mr. Chris Wang /President	E-mail:	<a href="mailto:chris@acuce.com">chris@acuce.com</a>
	Mr. Lance Wu / CEO	E-mail:	<a href="mailto:lance@acuce.com">lance@acuce.com</a>
		E-mail:	
Supplier - Factory Relationship	<input type="checkbox"/> shareholder/partner	<input checked="" type="checkbox"/> Wholly Owned	<input type="checkbox"/> Capacity Contra
	<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	<input checked="" type="checkbox"/> Y, <input type="checkbox"/> N
Registration number	4403 0110 2730 527
<input checked="" type="checkbox"/> manufacturer <input type="checkbox"/> export trading <input type="checkbox"/> both	
Date of Registration	2004-2-26
Valid period	Forever
Name of Corporative Representative	Mr. Tian Yu
Is the annual review done by the local authority, e.g., Industrial & Commerical Bureau? (please specify)	<input checked="" type="checkbox"/> Y, Shenzhen Industrial & Commercial Bureau

### 3. Personnel

Key Staff	Name	Tel	E-mail	Year(s) in Position	Year(s) at Company
General Manager	Mr. Chris Wang			6	6
Quality/Technical Manager	Ms. Kity Qin			6	6
Production Manager	Mr. Lance Wu			6	6
R & D Manager	Ms. Leond Duan			6	6
Health & Safety Officer	Ms. Amanda Zhang			6	6
Security Representative/Officer	Mr. Howard Chen			6	6
Equipment Maintenance	Mr. Tian guanyu			6	6
Others (please specify)	Nil				

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
Engineering Department	170		170
Manufacturing Department	1,400		1,400
Quality Control Department	105		105
Purchasing Department	16		16
Business Department	10		10
Human Resources Department	25		25
Information Department	4		4
Financial Department	25		25
<b>Total:</b>			1730

### 4. Export

Markets	Total Units Exported (annual)	% of Total Business Volume
<input checked="" type="checkbox"/> U.S. / North America	53,750,000	43%
<input checked="" type="checkbox"/> Asia	45,000,000	36%
<input checked="" type="checkbox"/> Others	22,500,000	18%
	3,750,000	3%
<b>Annual \$ Volume in (last year)</b>	100,000,000 USD	
<b>Estimated Annual \$ Volume (this year)</b>	125,000,000 USD	

5. Key Clients (past 12 months)		
Customers	% Business	Type of Products
iHome	28%	Portable Speaker
Bestbuy	13%	Clock Radio
Sears	10%	Digital Photo Frame
Lifung	6%	Portable Speaker

Product Description / Category	Production Capacity		
	Total Installed capacity (units)	Actual Units Shipped	% Installed Capacity
Digital Photo Frame	360,000	358,000	99%
Ebook Reader	60,000	58,000	97%
Portable DVD	300,000	290,000	97%
Portable Speaker	600,000	580,000	97%
Clock Radio	800,000	785,000	98%
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7. Production Capabilities			
How many production lines are in the factory?			12
How many employees are working in each line?	Supervisor:		7
	Workers / operators:		105
	In-line QC:		4
	Helpers:		5
	Total per line	X lines =	121 X 12 = 1452
What is the factory's projected average production capacity per month / year of each line?	monthly	annually	180,000 units / 2,120,000 units
What is the factory's projected average lead time from PO confirmation to production EX WORKS delivery?	days		15 days
Please describe the factory's production process flow. * see attachments for further detail			SMD, Soldering, Function testing, Assembly and Packing * see attachments for further details
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
Solder paste machine	N/A	N/A	1	2001	2004-2-26	Good
Automatic screen printer	N/A	N/A	11	2002	2004-2-26	Good
Reflow machine	N/A	N/A	11	2000	2004-2-26	Good
Wave soldering machine	N/A	N/A	9	2000	2004-2-26	Good
Automatic optical inspection machine	N/A	N/A	4	2002	2004-2-26	Good
Dage X-Ray machine	N/A	N/A	1	2002	2004-2-26	Good
Wireless network testing instrument	N/A	N/A	46	2002	2004-2-26	Good

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

**List of Subcontractors**

Name of Subcontractors	Process involved	Address
Nil	N/A	N/A

**8. Management Systems and Accreditation**

(please attach copies of each)

Accreditation		Certifying Body	Date	Expiry
ISO 9001	<input checked="" type="checkbox"/> Y, [	UCS	25-Sep-07	24-Sep-
N		UCS	10	
ISO 14001	<input checked="" type="checkbox"/> Y, [			
N				
BRC Standard - Consumer Products	<input type="checkbox"/> Y, [			
Others (please specify):	Nil			

Is product certification done in terms of selling designation

(e.g., UL for US, CCC for China, CE for Europe...) at the factory?

Y, [

Certifying Body

Date

Expiry

if Yes, please specify

CCC for China

CQA

Jun 22, 2010

Feb 25, 201

**9. Quality Control Management**

Is quality monitored on all relevant line operations?

Y, [

N Are QA/QC inspectors independent of production?

Y, [

Who does the QC/QA Manager/Supervisor report to?

General Manger

How many QA/QC in total?

Final: 23

In-line: 30

Are there designated on-line inspection/test areas?

Y, [

Are production inspection records kept?

Y, [ ]N How

1 years

Do inspectors conduct spot-checking in accordance with specifications during In-process or Final inspection?

Y, [

N

Do you test functionality of product items on sight?

Y, [ ]

N Types of Final Inspections

(if no final inspection, please select "No" ; if yes please select the type below):

Y, [ ]N

100 % Inspection

Y, [ ]N

Selected samples

Y, [ ]N

If yes, please specify the sampling plan used:

Mil-Std-105E, Normal, Single, Level II, AQL: Cri.: 0, Maj.: 0.4, Min.: 1.0

Are rejected pieces 100 % re-inspected by inspector after repair ?

Y, [ ]N

**10. Factory Development / Expansion Plans**





Item	Factory Development Projects / Actions	Time Frame
Nil	The factory is not willing to disclose relevant information due to confidential consideration.	N/A

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 Photo Records**

		
1) Factory name	2) Factory exterior view	3) Dormitory
		
4) Packaging material warehouse	5) IOC inspection area	6) Finished products warehouse
		
7) Non-conforming material storage area	8) SMD workshop	9) Programming area
		
9) IPQC inspection area	10) Assembly and packing workshop	11) X-Ray testing
		

12) Soldering area	13) Function testing area	14) Electronic components warehouse
		
15) Plastic and hardware components warehouse	16) XRF RoHS testing equipment Analysis room	17) Return material
		
18) In-house testing room		

**ISO9001 Certificate**



*Certificate of Quality Management System*

**Registration Number: 04007Q13894ROM**

This is to certify that

**ACUCE LIMITED**

Block B, Hengmingzhu Industrial Park  
Xixiang, Baoan, Shenzhen, China, 518126

has been assessed and registered against the  
following quality management standard:  
**ISO9001: 2000**

**CERTIFICATION SCOPE:**

The Manufacturing of Digital Photo Frame and its PCB Assembly

**Date: December 06,2007**  
**Valid Until: December 05,2010**

*This Certificate is Valid When the  
Company Passed the Annual  
SURY Audit and Got the Notice  
of Keeping Certification*

Signed and issued by:

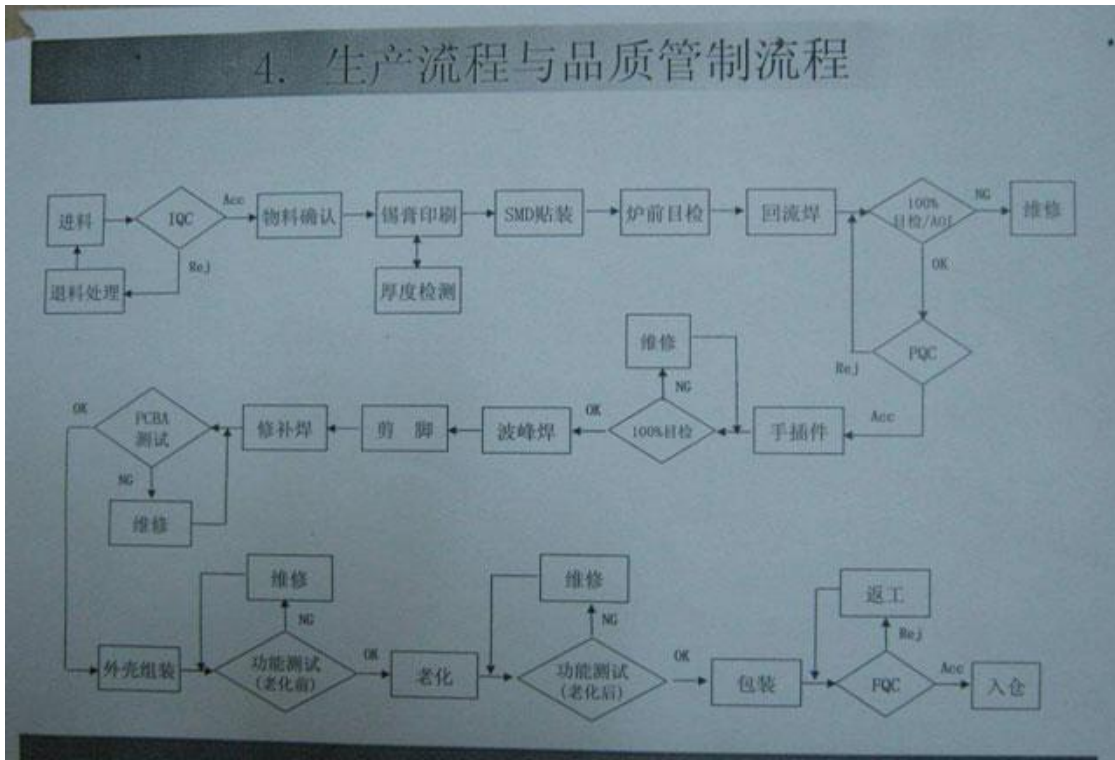
A handwritten signature in black ink, appearing to be 'ZBPA'.



MANAGEMENT SYSTEM  
CNAS C040-Q



Production Flow Chart



Organization chart

