WHAT YOU RECEIVE AFTER AN AUDIT · REAL CASE, DETAILS ANONYMIZED

FACTORY VERIFICATION REPORT

REPORT NO.	2025-XLYC-**** (masked)	DATE	September 2025
AUDITOR	Matt · Export Director, XILINK	CLIENT	SME importer (name and country withheld)
SUPPLIER	Supplier of industrial goods (name, product and city withheld)		

EXECUTIVE SUMMARY

⚠ **Verification result: IDENTITY MISMATCH — the factory shown to the buyer belongs to a different legal entity.**

The client was about to place a large order (product category withheld). The supplier presented itself as a manufacturer. Our on-site verification found that the company behind the quotation is a **trading company registered in a major trading city**, while the factory we were shown operates under **another company's name**, in a county town about 1.5 hours away.

! IDENTITY VERIFICATION

CLAIMED (ON THE QUOTATION)

COMPANY NAME
Company "S" (withheld) — presented itself as the manufacturer

REGISTRATION NO.
9133********** (masked, verified)

REGISTERED ADDRESS
An office room in a commercial building (city withheld)

ACTUAL (AT THE SITE VISITED)

COMPANY NAME
Company "T" (withheld) — a different legal entity

REGISTRATION NO.
9133********** (masked, different)

SITE ADDRESS
Industrial site in a county town (location withheld)

Finding. The factory at the visited location belongs to Company "T". The gate nameplate reads Company "T", not the supplier's name. The supplier "S" is a trading company: its licence covers wholesale and retail only, with no production qualification.

1 BASIC INFORMATION VERIFICATION

CHECK	RESULT	EVIDENCE RECORDED
Business licence validity	PASS	Licence valid, long-term; registered capital RMB 1,000,000 (paid-in: RMB 0)

SAMPLE

Business scope vs claimed role	FAIL	Scope covers wholesale/retail of the product — **no production qualification**
Name / address / account consistency	FAIL	Quotation entity ≠ site operator; registration numbers do not match

2 SITE INSPECTION

AREA	STATUS	WHAT WE RECORDED
Factory entrance	ISSUES	Gate nameplate reads Company "T" — not the supplier's name
Sample room / showroom	NORMAL	Located in a small meeting room, with the supplier's display materials
Production workshop	NORMAL	Approx. 10–20 workers, wearing the supplier's uniforms
Warehouse	NORMAL	Goods in stock; only a very small portion bears the supplier's brand
Quality control lab	NORMAL	QC workshop standardized; testing room with several devices
Office area	ISSUES	No proper office on site — only the temporary sample room

3 PRODUCTION CAPABILITY

ITEM	OBSERVED / CLAIMED
Production lines	2–3 lines, machines in good operating condition, site well organised
Workers present	10–20 people
Monthly capacity	Figure withheld — **claimed verbally, could not be verified on site**
Capacity utilisation	Unable to verify
Current orders	Orders in production at the time of the visit

4 QUALITY CONTROL SYSTEM

STAGE	PRESENT	NOTES
Incoming QC (IQC)	YES	Pre-production inspection process described in detail
In-process QC (IPQC)	UNKNOWN	Could not be confirmed during the visit
Final QC (FQC)	YES	Shipment inspection process described in detail
Certifications	National (GB/T) and ISO product standards — numbers withheld (product-identifying)	

SAMPLE

5 BUSINESS VERIFICATION

Management interview conducted on site (sales manager, name withheld). The supplier's sales team counts 20+ people; main export markets are South America and Southeast Asia. Order documents were shown as evidence of ongoing business.

6 RISK ASSESSMENT

HIGH RISK

The supplier does not own the factory it presented. Contract and payment would sit one layer away from the real producer.

MEDIUM RISK

Trading-company model: flexible on specs and small lots, but quality responsibility must be pinned in the contract.

LOW RISK

The supplier has real, ongoing export business and an established sales operation.

7 CONCLUSION & RECOMMENDATIONS

1. The supplier is a trading company based in the city where it is registered, not the manufacturer it presented itself as. **2.** The production site shown belongs to a different legal entity. **3.** This is not an automatic "walk away": we scored the finding, re-checked price and quality risk against comparable suppliers, and gave the client a concrete path — either contract directly with the real factory, or keep the trading company with tightened contract terms (quality liability, payment account matching the contracting entity, pre-shipment inspection).

> **Withheld for confidentiality:** client name and country, both company names, registration numbers, all city/region names, the product category, capacity figures, standard numbers, interviewee name, order number, prices and quantities. Structure, findings and photographs (not included in this sample) follow the original report.

SAMPLE

Every XILINK verification delivers: this report within 48 hours · live photo and video updates during the visit · an issue list with evidence · a practical recommendation tied to your buying decision.

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