
VETTING METHOD

Factory Vetting Checklist

The single most expensive mistake in China sourcing is paying a company that does not make anything. Here are the five checks we run, in order, and what each is allowed to conclude.

Contents: 01-05 five documented checks, each with the evidence we ask for - eight comparison signals - seven red flags. Tick the boxes as you go; the page leaves room for your own notes.

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THE METHOD

Five checks, in this order.

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01 VET-01 Business licence and legal status

Before anything else we pull the company's registration record and read the fields that matter, not just the licence photo they send you.

- ☐ Unified Social Credit Code checked against the national enterprise credit register
- ☐ Registered capital, establishment date and operating status - whether the entity is still active
- ☐ Legal representative name, and whether the person you are talking to is that person
- ☐ Whether the legal entity name would match the beneficiary name on a bank transfer later

NOTES

02 VET-02 Registered scope versus registered address

A company can be legally real and still not manufacture anything. The gap between what it says it makes and where it says it makes it is where most trading companies show up.

- ☐ Registered business scope - does it list production and manufacturing, or only wholesale and retail?
- ☐ Registered address compared with the address they want to take you to
- ☐ Whether the address resolves to an industrial plot or to an office floor in a commercial building
- ☐ Whether multiple "factories" they offer share one registered address

NOTES

03

VET-03

Capacity and equipment, arithmetically

Claimed output is easy to say and easy to test. We check whether the floor, the headcount and the machine list can physically produce what they quoted.

- ☐ Machine list with counts, and whether those machines are the ones that make your product
- ☐ Shift pattern and working days per month, multiplied against per-unit cycle time
- ☐ Floor area against stated output - a surprisingly reliable smell test
- ☐ Recent production evidence: order book, utility records, or a line actually running during the visit

NOTES

04

VET-04

Walking the floor

This step only exists because it is easy to be polite and be fooled. We look for the specific things that separate a plant from a showroom with a good speaker.

- ☐ The tooling and mould store - a real maker keeps its own tooling, marked and traceable
- ☐ Raw material and work-in-progress inventory, not only finished samples
- ☐ Worker count and line activity at the hour we arrive, not at the hour they prefer
- ☐ Incoming goods labelling, which often reveals who actually made the parts

NOTES

05

VET-05

Somebody who can say yes

A visit without a decision-maker produces photos and no quotes. We treat "the boss is travelling" as a failed visit and say so in the report.

- ☐ Production manager or owner physically present for the meeting, not only a sales representative
- ☐ Can they quote tooling lead time and MOQ without calling someone else?
- ☐ Do they know their own tolerances, defects rates and scrap handling?
- ☐ Written confirmation of who signs the contract and who receives payment

NOTES

What the difference actually looks like.

None of these signals proves anything alone. Three or four together is usually enough to decide whether to spend a day visiting.

Typical signals of a real factory versus a trading company

SIGNAL	REAL FACTORY <i>what we expect to see</i>	TRADING COMPANY
Live video walk-through request	Arranged within a day or two	Excuses, delays, or a pre-recorded clip
Registered business scope	Includes production and manufacturing	Only wholesale, retail or import/export
Registered address	Matches the production site	Office address, or several "factories" share one
Tooling and mould store	Exists, labelled, traceable to customers	Cannot be shown, or "kept at a partner plant"
Equipment photos	Floor and machines, dated and specific	Catalogue rooms and product close-ups only
Price against peers	Explainable by process or material choice	Far below peers for identical specification
Who receives payment	The legal entity on the licence	A personal account, or a different company name
Technical answers	Answered by the production manager	Every question needs "checking with the factory"

These are patterns observed on visits, not a certification. We publish them because teaching you to spot them costs us nothing and makes our actual on-site work easier to trust.

WALK-AWAY LIST

Red flags we treat as the end of the conversation.

- **Refuses any live or unedited video of the floor** before you commit to a visit
 - **The registered address is not where they want to take you** , and the explanation keeps changing
 - **No production equipment in any photo, ever** - only showroom and catalogue images
 - **Quoted far below comparable suppliers** for a specification described as identical
 - **Payment details do not match the licence entity** , or a personal account is requested
 - **Scope of business lists trading only** while they describe themselves as the manufacturer
 - **Pressure to place the deposit now** to "lock the line", before any visit has happened
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We take no commission from suppliers.

