



Sub: Yellow assessment

Audit Date: Sep.05, 2006

Dear Sir or Madam:

We would like to thank you for your cooperation during our Ethical Standards audit on Sep.05, 06 (date) for HIP LEE PLASTIC BAG FTY.(協利膠袋廠)/ 28054053 (factory name/factory ID) and PAPER MAGIC GROUP (HK) LTD./ 25041956 (supplier name/ supplier ID).

The above stated factory has received a “**Yellow**” assessment. The factory had violations and/or Conditions which were deemed to be medium risk. Please work closely with your factory to remedy these violations to prevent future reoccurrence.

The following conditions apply to this factory:

- Orders can be placed.
- Orders can be shipped.
- Follow-up audit will be conducted within **120** days from audit date listed above.
- The completed action plan by the factory management must be presented to the auditor during the follow-up audit.
- **Please note that you must submit a Factory Inactivation Request online via Retail Link if you decide not to use this factory in order to avoid follow-up audit by Wal-Mart.**

NOTE: You will no longer submit your audit requests by e-mail. All requests will be completed online. Further, you will not request follow-up or Annual Audits. Follow-up and Annual audits will be automatically scheduled unless you submit a request for inactivation. You only require submitting request for “Initial Audit” and “New factory”. Please go to Retail Link to submit necessary request by following this path: Explore the site=>Factory Certification=>Supplier Queue. It is the responsibility of the supplier / factory management to arrange an audit through Ethical Standards Team.

Thank you for your cooperation and support for Wal-Mart’s Ethical Standards Program.

Sincerely,

dgmisc@wal-mart.com

Ethical Standards Department.

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