



Production Audit Report

Presented to

Guangzhou STK Auto Transmission Parts Co., Ltd.

广州斯达克汽车传动配件有限公司

Gold Supplier & Assessed Company Relationship	<input checked="" type="checkbox"/> Wholly Owned <input type="checkbox"/> Shareholder/Partner <input type="checkbox"/> Capacity Contract
Company Address:	No.219, Sandong Avenue, Xinhua Town, Huadu District, Guangzhou City, Guangdong Province, China
City / Country:	Guangzhou/ China
Consigner of Assessment:	Alibaba
Gold Supplier Member ID:	chinastk
Gold Supplier Company Name:	Guangzhou STK Auto Transmission Parts Co., Ltd.
Contact Person:	Marco Qiu
Phone Number:	0086-20-28918592, 0086- 13728068909
Fax Number:	0086-20-22976910
Email:	marco@stkat.com
Factory Website Address (URL):	http://stk.en.alibaba.com , http://www.stkat.com

Service provided by Intertek
Report No.: 201107040000317_1-P



Report Number:	201107040000317_1-P	Assessment: Type:	Production Assessment
Date of Assessment:	17 th Nov., 2011	Report Date:	18 th Nov., 2011
Assessor's Name:	Aaron Mai	Validity Period:	18 th Nov., 2011-17 th Nov., 2012
Reviewed By:	Shiyan Zhao	Online Report:	www.intertek-sha.com/certification

Important Notes:

Intertek's Disclaimer:

This report reflects our findings for the particular company in concern on the date of our service only. This report does not discharge or release the factory/sellers/suppliers from their commercial, legal or contractual obligations with buyers in respect of products provided by the factory/sellers/suppliers. Any reader other than the party for which this report has been specifically issued is hereby informed that the General Conditions of Service of Intertek contain liability limitation provisions.

Alibaba.com's Disclaimer:

This report has been independently prepared by a third party verification agency. The report is provided on an "AS IS" and "AS AVAILABLE" basis. The information contained in the report may change without notice and no obligation is assumed to update the information following publication. Alibaba (including its affiliates) are not involved in the preparation of the report. Publishing of the report by no means means that Alibaba endorses or recommends the report. Therefore, Alibaba cannot be held responsible for any inaccuracy or omission in the report.

To the maximum extent permitted by law, Alibaba expressly disclaims any warranty, express or implied, regarding the report, including any implied warranty of merchantability, fitness for a particular purpose or non-infringement. Your use of or reliance on this report will be at your own discretion and risk. To the maximum extent permitted by law, in no event shall Alibaba be liable to any party for any direct, indirect, punitive, incidental, special or consequential damages costs, expenses, legal fees or losses or any damages whatsoever arising out of or in any way connected with any use of the report even if advised of the possibility of such damages.

Report No:	201107040000317_1-P	Report date:	18 th Nov., 2011	Assessed By	Aaron Mai
CONFIDENTIAL		All Rights Reserved		Page No:	2 of 15

Contents

Section 1: Company Overview	4
1.1 Legal Validity	4
1.2 Company Building Information	4
Section 2: Human Resources	5
2.1 Company Chart.....	5
2.2 Employee Headcount.....	5
2.3 Management	5
Section 3: Production Capacity	6
3.1 Annual Production Capacity (Previous Year)	6
3.2 Production Capacity.....	6
3.3 Production Machinery	6
3.4 Testing Machinery	6
3.5 Subcontractors	6
Section 4: Quality Assurance	6
4.1 Quality Management System Certification.....	6
4.2 Product Certification.....	6
4.3 Quality Control Management	6
4.4 Supplier Management	6
4.5 After Sales Service	6
Section 5: Production Process Management	8
Section 6: R & D Capacity	9
6.1 Current Situation	9
Section 7: Company Development / Expansion Plans	10
Section 8: Production Flow	11
Section 9: Certification & Photos	12
Section 10: Company and Product Samples	13

Report No:	201107040000317_1-P	Report date:	18 th Nov., 2011	Assessed By	Aaron Mai
CONFIDENTIAL		All Rights Reserved		Page No:	3 of 15

Section 1: Company Overview

Company Overview			
1.1 Legal Validity			
Does the company have a valid business license?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Business License Number:	440111000155005
Year Established:	21 st May, 2010	Validity Period:	21 st May, 2010-16 th May, 2012
Registered Address:	Room 501, No.8, Dongyi Road, Jiangxia Village, Huangshi Street, Baiyun District, Guangzhou City, Guangdong Province, China		
Company Address:	No.219, Sandong Avenue, Xinhua Town, Huadu District, Guangzhou City, Guangdong Province, China		
Annual review conducted by the Industrial & Commercial Bureau?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Reviewed By:	Industrial and Commercial Bureau of Guangzhou City, Baiyun Branch
Registered Capital:	RMB 500,000		
Corporate Representative:	Zhuobin Hu		
Industry:	Auto Accessory Industry		
Business Type:	<input type="checkbox"/> Manufacturer	<input type="checkbox"/> Trading Company	<input checked="" type="checkbox"/> Combined
Type of Ownership:	<input checked="" type="checkbox"/> Private Owner	<input type="checkbox"/> Public Company	<input type="checkbox"/> Joint Venture
	<input type="checkbox"/> Stated Owned	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
Products Manufactured:	Automatic Transmission Overhaul Kit		
1.2 Company Building Information			
Certification Type:			
<input type="checkbox"/> Land Certification <input type="checkbox"/> Real Estate Certification <input checked="" type="checkbox"/> Lease Agreement+ Actually Observed <input type="checkbox"/> Factory Officer Claimed			
Total Building Size (m2): <u>1,600</u>			
Number of Building(s) : <u>1</u>			

Section 2: Human Resources

Human Resources				
2.1 Company Chart				
<pre> graph TD GM[G. M.] --- Sale[Sale Dept.] GM --- Quality[Quality Dept.] GM --- Technology[Technology Dept.] GM --- Production[Production Dept.] GM --- Purchase[Purchase Dept.] </pre>				
2.2 Employee Headcount				
Department Name	Full Time Employee(s)	Part-Time Employee(s)	Total	
G.M.	1	0	1	
Sale Dept.	4	0	4	
Quality Dept.	2	0	2	
Technology Dept.	2	0	2	
Production Dept.	25	0	25	
Purchase Dept.	2	0	2	
Total Number:	36	0	36	
2.3 Management				
Department	Name	Title	Education	Year(s) in Current Company
G.M.	Bei Chen	G.M.	Post-Graduate	2
Sale Dept.	Zhoubin Hu	Manager	Technical School	2
Quality Dept.	Bingsheng Chen	Supervisor	Technical School	2
Technology Dept.	Jiandong Rong	Supervisor	Technical School	2
Production Dept.	Weixin Deng	Supervisor	Technical School	2
Purchase Dept.	Yanhua ling	Supervisor	Technical School	2

Section 3: Production Capacity

Production Capacity				
3.1 Annual Production Capacity (Previous Year)				
Automatic Transmission Overhaul Kit 61,538pcs				
3.2 Production Capacity				
Product Name	Production Line Capacity	Actual Units Produced (Previous Year)		
Automatic Transmission Overhaul Kit	72,000pcs	61,538pcs		
3.3 Production Machinery				
Machine Name	Brand & Model No.	Quantity	Number of Year(s) Used	Condition
Vulcanizing Press	CSD&200FS	2	2	Good
Rubber Mixing Mill	CSD&125FS	2	2	Good
Curtain Coater	CSD&400FS	2	2	Good
3.4 Testing Machinery				
Machine Name	Brand & Model No.	Quantity	Number of Year(s) Used	Condition
π Ruler	M391632	3	1	Good
3.5 Subcontractors				
Subcontractor Name	Product Subcontracted	Volume Supplied	Cooperation Period (Years)	
None	/	/	/	

Section 4: Quality Assurance

Quality Assurance					
4.1 Quality Management System Certification					
Certification	Certified By	Certificate No.	Business Scope	Available Date	Expired Date
None	/	/	/	/	/
4.2 Product Certification					
Certification	Certified By	Certificate No.	Product Name & Model No.	Available Date	Expired Date
None	/	/	/	/	/
4.3 Quality Control Management					
Item	Content	Observations /Comments			
4.3.1	Is there quality control on all production lines?	<input checked="" type="checkbox"/> Yes, all production lines have adequate quality control <input type="checkbox"/> Yes, some production lines have adequate quality control <input type="checkbox"/> No			
4.3.2	Do the QA/QC inspectors work independently from the production line?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

4.3.3	Who does the QC/QA Manager /Supervisor report to?	G.M.
4.3.4	How many QA/QC inspectors in total?	2

No. of Employees in Each Production Line:

Production Line	Supervisor	No. of Operators	No. of In-line QC/QA
Auto Transmission Kit Line	1	25	2

4.4 Supplier Management

Item	Content	Observations /Comments
4.4.1	Does the company have an supplier assessment procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.4.2	Does the company have an updated list of approved suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.4.3	Does the company establish and implement a standard procedure for purchasing contract review and approval?	<input checked="" type="checkbox"/> Yes, with written standard procedures <input type="checkbox"/> Yes, with written procedure but lack of consistent standard <input type="checkbox"/> No
4.4.4	Does the company keep its Supplier Assessment Reports?	<input type="checkbox"/> Yes, Assessment Reports are available for more than 3 years <input type="checkbox"/> Yes, Assessment Reports are available for the last 1-3 years <input checked="" type="checkbox"/> Yes, Assessment Reports are available for the previous 12 months <input type="checkbox"/> No
4.4.5	Are the company's purchasing documents sufficient to ensure product safety control and their customers' requirements?	<input checked="" type="checkbox"/> Yes, the purchasing document includes all the information required <input type="checkbox"/> Yes, however the purchasing document includes incomplete information <input type="checkbox"/> No
4.4.6	Is there a procedure to conduct random product inspections after final packaging?	<input type="checkbox"/> Yes, with clear standard and written inspection records <input type="checkbox"/> Yes, with inspection records but no procedures <input checked="" type="checkbox"/> Yes, with procedures but no inspection records <input type="checkbox"/> No, inspections are not necessary

4.5 After Sales Service

Item	Content	Observations /Comments
4.5.1	Is customer feedback, including complaints, clearly recorded and maintained?	<input checked="" type="checkbox"/> Yes, with a standard feedback form and records <input type="checkbox"/> Yes, with a standard feedback form but no records <input type="checkbox"/> Yes, with records but no standard feedback form <input type="checkbox"/> No
4.5.2	Are there any clear procedures for handling customer complaints?	<input checked="" type="checkbox"/> Yes, with clear procedures and written records <input type="checkbox"/> Yes, with clear procedures but no written records <input type="checkbox"/> Yes, with written records but no clear procedures <input type="checkbox"/> No

4.5.3	Is there a closed-loop corrective action system in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.5.4	Can finished/packaged products be traced by lot identification to the appropriate raw material test reports?	<input type="checkbox"/> Yes, with procedures to trace raw materials <input checked="" type="checkbox"/> Yes, main raw material can be traced <input type="checkbox"/> No, only the production date can be traced <input type="checkbox"/> No
4.5.5	Is there a product alert and recall procedure?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Section 5: Production Process Management

Production Process Management		
Item	Content	Observations /Comments
5.1	Is the factory tidy and clean enough for production?	<input checked="" type="checkbox"/> Yes, very good <input type="checkbox"/> Yes, acceptable <input type="checkbox"/> No, needs improvement <input type="checkbox"/> No, very poor
5.2	Are the following items /documents provided at the appropriate location?	<input type="checkbox"/> Work Instructions <input checked="" type="checkbox"/> Approved sample <input type="checkbox"/> Product picture <input type="checkbox"/> No, the above mentioned was not available
5.3	Are written instructions available for onsite material inspection/testing? Are the relevant records maintained?	<input type="checkbox"/> Yes, with clear written instructions and records <input checked="" type="checkbox"/> Yes, with written instructions but no records <input type="checkbox"/> Yes, with records but no written instructions <input type="checkbox"/> No
5.4	Are written inspection/testing instructions available for finished products? Are the relevant records maintained?	<input type="checkbox"/> Yes, with clear written instructions and records <input checked="" type="checkbox"/> Yes, with written instructions but no records <input type="checkbox"/> Yes, with records but no written instructions <input type="checkbox"/> No
5.5	How are finished products inspected?	<input type="checkbox"/> 100% of products with detailed inspection <input checked="" type="checkbox"/> Random inspection <input type="checkbox"/> No inspection <input type="checkbox"/> No inspection necessary
5.6	Are units that failed inspection clearly marked and separated to prevent accidental dispatch?	<input checked="" type="checkbox"/> Yes, the units are separated and marked clearly <input type="checkbox"/> Yes, the units are separated but not marked clearly <input type="checkbox"/> No
5.7	How are finished products that failed inspection handled?	<input type="checkbox"/> Repaired and re-inspected <input checked="" type="checkbox"/> Thrown away <input type="checkbox"/> No inspection necessary

Report No:	201107040000317_1-P	Report date:	18 th Nov., 2011	Assessed By	Aaron Mai
CONFIDENTIAL		All Rights Reserved		Page No:	8 of 15




Section 6: R & D Capacity

R&D Capacity			
6.1 Current Situation			
There is/are <u> 2 </u> R&D Engineer(s) in the company.			
Education Level	Headcount	Work Experience	Headcount
Doctorate	0	Over 30 Years	0
Post-Graduate	0	21-30 Years	0
Graduate	0	11-20 Years	0
Junior College	0	6-10 Years	0
Technical School	2	2-5 Years	2
High School	0	Less than 2 years	0
List of successful project(s) (Example: Patented products):		None	
Does the company have its own brand?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If yes, please specify:		None	
Does the company provide ODM service for others?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Are there relevant design input/output, review, and verification documents available for the assessment company?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Based on inspection, are R & D employees equipped with adequate specialized equipment?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, please list all key equipment used:		Automatic Transmission Packing Ring Leaking Testing Machine	
Do R& D employees use any specific software for designing new products?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, please list the main software used:		CAD	
Please list all certifications and/or qualifications of the R & D department:		None	

Section 7: Company Development / Expansion Plans

Company Development / Expansion Plans		
Item	Company Development Action	Timeframe
1	Developing new product and expanding new market	One year

Section 8: Production Flow

Production Flow					
No	Production Process	No	Production Process	No	Production Process
1		2		3	
	Mold Making		Cutting		Packing

Section 9: Certification & Photos

Certification & Photos

Business License(Original)



Business License(Duplicate)



Tax Registration Certificate(Original)



Tax Registration Certificate(Duplicate)



Organization Code Certificate(Original)



Organization Code Certificate(Duplicate)



Report No:	20110704000317_1-P	Report date:	18 th Nov., 2011	Assessed By	Aaron Mai
CONFIDENTIAL		All Rights Reserved		Page No:	12 of 15

Permit for Opening Bank Account



Section 10: Company and Product Samples

Company and Product Samples

Company Gate



Office



Workshop



Workshop



Product Sample



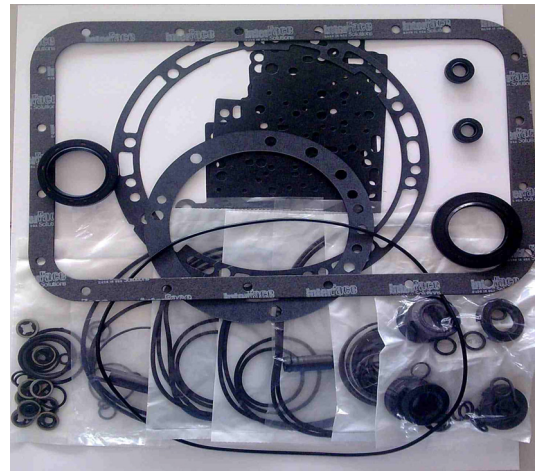
Product Sample



Product Sample



Product Sample

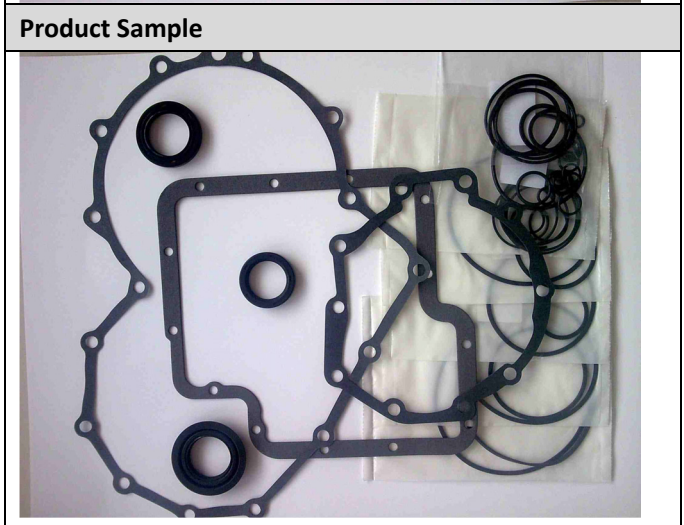
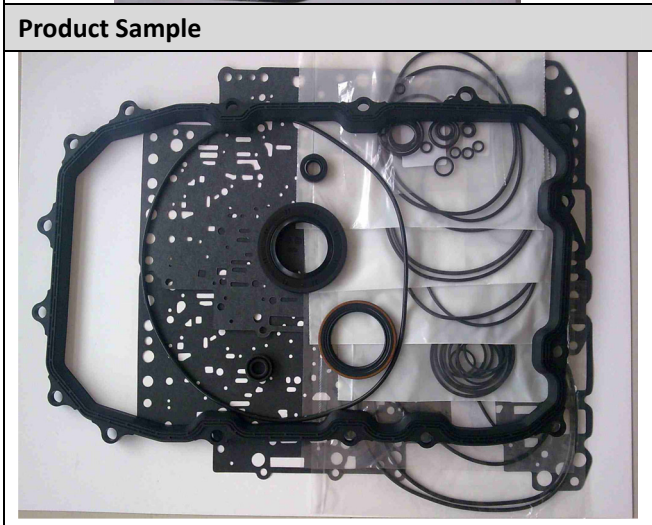
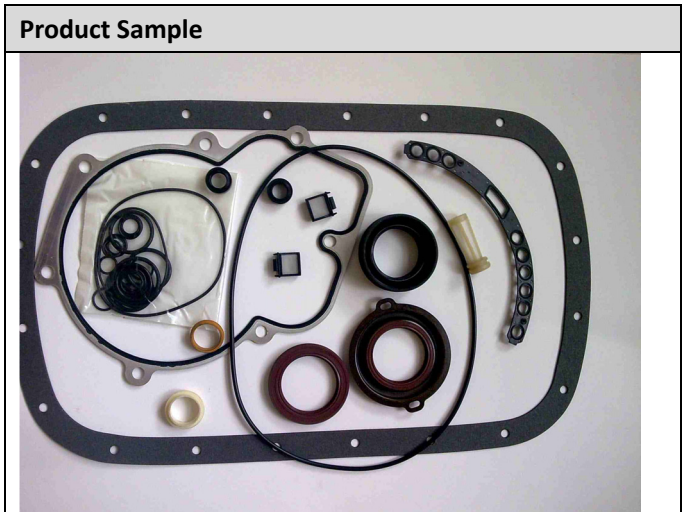
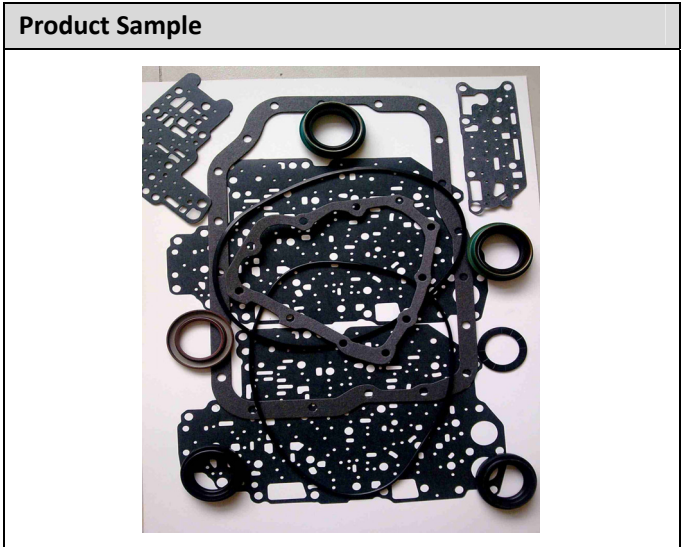
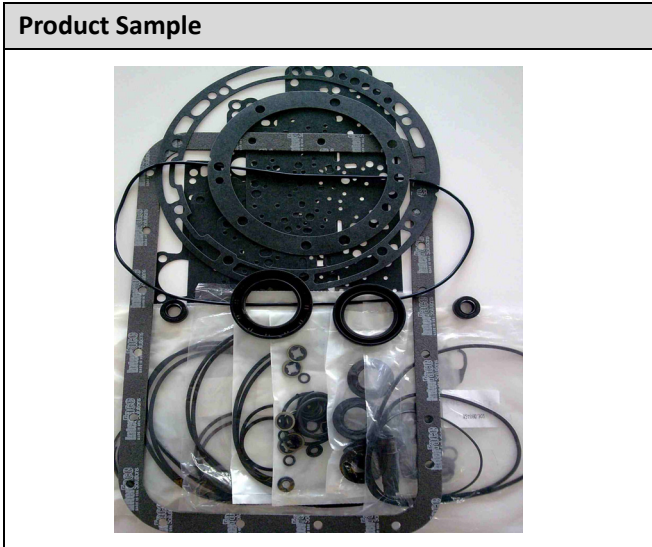


Product Sample



Product Sample





-- End of Report --

Report No:	201107040000317_1-P	Report date:	18 th Nov., 2011	Assessed By	Aaron Mai
CONFIDENTIAL		All Rights Reserved		Page No:	15 of 15