



Production Audit Report

Presented to

Ningbo Newland Magnetics Co.,Ltd.

宁波新大陆磁制品有限公司

Gold Supplier & Audited Company Relationship	<input checked="" type="checkbox"/> Wholly Owned <input type="checkbox"/> Shareholder/Partner <input type="checkbox"/> Capacity Contract
Company Address:	Road 1272, Lugang Village, Gaoqiao Town, Yinzhou District, Ningbo City, Zhejiang Province, China
City / Country:	Ningbo/ China
Consigner of Audit Report:	Alibaba
Gold Supplier Member ID:	cnnewmagnet
Gold Supplier Company Name:	Ningbo Newland Magnetics Co.,Ltd,
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Service provided by Intertek
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Audited By:	Angel Yang	Validity Period:	15 th Mar.,2011-14 th Mar.,2012
Reviewed By:	Antony Zhang	Online Report:	www.intertek-sha.com/certification

Important Notes:

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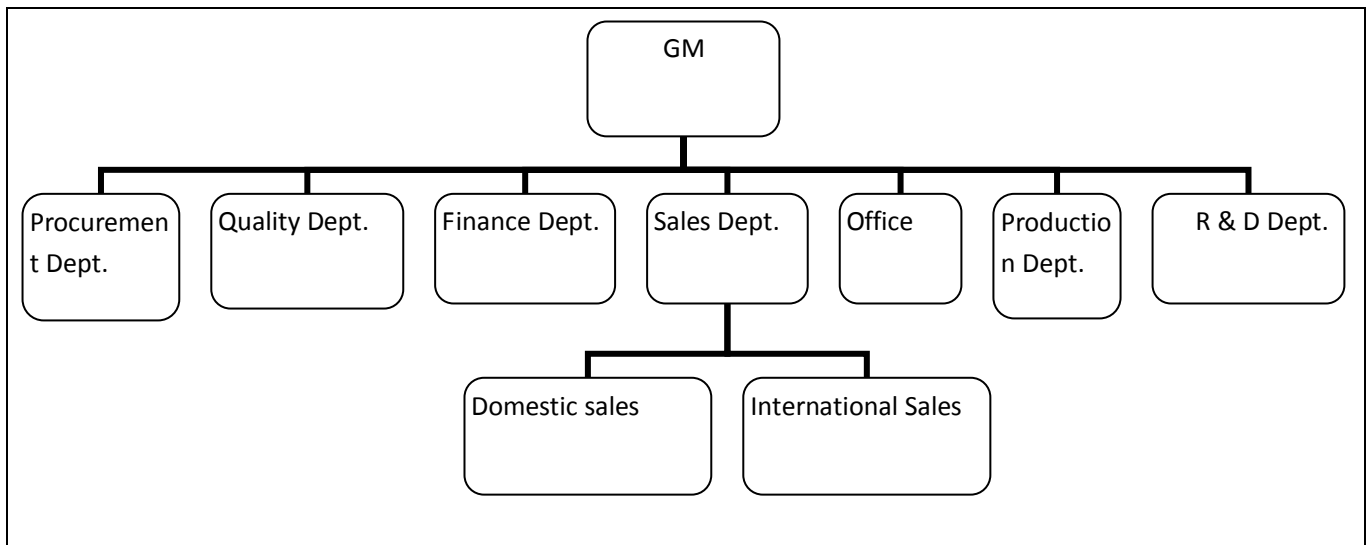
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Section 1: Company Overview

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:	330200400022131
Year Established:	22 nd Dec,2006	Validity Period:	22 nd Dec.,2006-21 st Dec.,2016
Registered Address:	Road 1272, Lugang Village, Gaoqiao Town, Yinzhou District , Ningbo City, Zhejiang Province, China		
Company Address:	Road 1272, Lugang Village, Gaoqiao Town, Yinzhou District, Ningbo City, Zhejiang Province, China		
Annual review conducted by the Industrial & Commercial Bureau?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Reviewed By:	Ningbo Industrial & Commercial Bureau
Registered Capital:	500,000USD		
Corporate Representative:	Mr.Haitao Wang		
Industry:	Electrical equipment production and sales.		
Business Type:	<input type="checkbox"/> Manufacturer	<input type="checkbox"/> Trading Company	<input checked="" type="checkbox"/> Combined
Type of Ownership:	<input type="checkbox"/> Private Owner	<input type="checkbox"/> Public Company	<input type="checkbox"/> Joint Venture
	<input type="checkbox"/> Stated Owned	<input checked="" type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
Products Manufactured:	Electrical Equipment, loudspeaker parts, pot magnet, motor parts		
1.2 Company Building Information			
Certification Type: <input checked="" type="checkbox"/> Land Certification <input checked="" type="checkbox"/> Real Estate Certification <input type="checkbox"/> Lease Agreement+ Actually Observed <input type="checkbox"/> Factory Officer Claimed			
Total Building Size (m2): <u> 2485 </u>			
Number of Building(s) : <u> 3 </u>			

Section 2: Human Resources

Human Resources	
2.1 Company Chart	



2.2 Employee Headcount

Department Name	Full Time Employee(s)	Part-Time Employee(s)	Total
GM	1	0	1
Procurement Dept.	7	0	7
Quality Dept.	9	0	9
Finance Dept.	3	0	3
Sales Dept.	10	0	10
Office	2	0	2
Production Dept.	75	0	75
R & D Dept.	4	0	4
Total Number:	111	0	111

2.3 Management

Department	Name	Title	Education	Year(s) in Current Company
GM	Frank Wang	General Manager	Graduate	5
Procurement Dept.	GaoHui	Manager	Graduate	5
Quality Dept.	Yuling Li	Manager	Graduate	3
Finance Dept.	Yina Chen	Manager	Graduate	5
Sales Dept.	Amily Wang	Manager	Graduate	5
Office	Juanjuan Chen	Director	Graduate	1
Production Dept.	Zhao Ye	Manager	Graduate	4
R & D Dept.	Binbin Guo	Manager	Graduate	4

Section 3: Production Capacity

Production Capacity

3.1 Annual Production Capacity (Previous Year)

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780,000 Pcs/Year				
3.2 Production Capacity				
Product Name	Production Line Capacity	Actual Units Produced (Previous Year)		
loudspeaker parts	270,000 Pcs/Year	230,000Pcs/Year		
pot magnet	120,000 Pcs/Year	60,000 Pcs/Year		
motor parts	180,000 Pcs/Year	80,000 Pcs/Year		
magnetic filter	240,000 Pcs/Year	110,000 Pcs/Year		
sensor	720,000 Pcs/Year	300,000 Pcs/Year		
3.3 Production Machinery				
Machine Name	Brand & Model No.	Quantity	Number of Year(s) Used	Condition
Packaging Machine	D2Q400/2D	1	5	Acceptable
Semi-automatic strapping machine	KZB-I	2	5	Acceptable
Drill press	3Q4116/Z512-2	2	4	Acceptable
Magnetizer	KCJ-3030	1	5	Acceptable
Laser welding machine	YJ006-400/YJ007-400	2	5	Acceptable
Blast electric oven	SC101-3B	1	5	Acceptable
Injection molding machine	LOG130-8/HXF246-W5	2	3	good
Sandblasting machine	YYB012/BT-9060B	2	5	good
CNC lathe	CK-6130	3	2	good
Milling	X5330B	2	2	good
Cutting Machine	DK77	2	2	good
Vertical Grinder	CY6140/1000	2	1	good
Tapping machine	SWJ-12	1	1	good
3.4 Testing Machinery				
Machine Name	Brand & Model No.	Quantity	Number of Year(s) Used	Condition
Digital Gauss Meter	HT208	1	5	Acceptable
Force Gauge	SN-500	1	5	Acceptable
Dial Calipers	0-150mm	6	5	Acceptable
Digital flux meter	HT701	2	5	Acceptable
Depth vernier	0-200mm	1	5	Acceptable
Foot diameter	25-50mm	3	5	Acceptable
Dial indicator	0-30mm	3	5	Acceptable
Point scale	unavailable	1	5	Acceptable
Image measuring instrument	unavailable	1	4	Acceptable
3.5 Subcontractors				
Subcontractor Name	Product Subcontracted	Volume Supplied	Cooperation Period (Years)	
None				

Section 4: Quality Assurance

Quality Management System and Product Certification				
4.1 Quality Management System Certification				
Certification	Certified By	Certificate No.	Business Scope	Expiry Date
ISO9001:2008	SGS with UKAS logo	CN08/20026	Design and assembly of permanent magnetic products for magnetic filter&separator, magnetic toys, magnetic sensors, speakers and motors	6 th Jan., 2014
4.2 Product Certification				
Certification	Certified By	Certificate No.	Product Name & Model No.	Expiry Date
None				
4.3 Quality Control Management				
	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?	GM		
4.3.4	How many QA/QC inspectors in total?	9		
No. of Employees in Each Production Line:				
Production Line	Supervisor	No. of Operators	No. of In-line QC/QA	
loudspeaker parts	1	10	1	
pot magnet	1	18	2	
motor parts	1	10	2	
magnetic filter	1	20	3	
sensor	1	12	1	
4.4 Supplier Management				
	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 checked="" type="checkbox"/> Yes, Assessment Reports are available for the last 1-3 years <input 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 checked="" type="checkbox"/> Yes, with clear standard and written inspection records <input type="checkbox"/> Yes, with inspection records but no procedures <input type="checkbox"/> Yes, with procedures but no inspection records <input type="checkbox"/> No, inspections are not necessary

4.5 After Sales Service

	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 checked="" type="checkbox"/> Yes, with procedures to trace raw materials <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Section 5: Production Process Management

Section 5: Quality Control Management		
	Content	Observations /Comments
5.1	Is the factory tidy and clean enough for production?	<input type="checkbox"/> Yes, very good <input checked="" 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 checked="" type="checkbox"/> Work Instructions <input checked="" type="checkbox"/> Approved sample <input checked="" 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 checked="" type="checkbox"/> Yes, with clear written instructions and records <input 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 checked="" type="checkbox"/> Yes, with clear written instructions and records <input 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 checked="" 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 checked="" type="checkbox"/> Repaired and re-inspected <input type="checkbox"/> Thrown away <input type="checkbox"/> No inspection necessary

Section 6: R & D Capacity

R&D Capacity					
6.1 Current Situation					
There is/are <u>4</u> R&D Engineer(s) in the company.					
Education Level		Headcount		Work Experience	
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Doctorate	0	Over 30 Years	0
Post-Graduate	0	21-30 Years	0
Graduate	4	11-20 Years	0
Junior College	0	6-10 Years	0
Technical School	0	2-5 Years	4
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Based on inspection, are R & D employees equipped with adequate specialized equipment?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If yes, please list all key equipment used:		Computer	
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, Pro-E, Solidworks	
Please list all certifications and/or qualifications of the R & D department:		N/A	

Section 7: Company Development / Expansion Plans

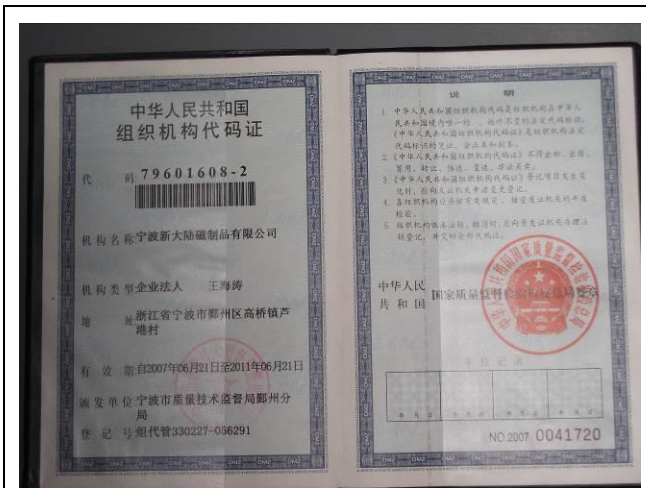
Company Development / Expansion Plans		
	Company Development Action	Timeframe
1	To develop wind power machine	2011
2	To focus on Europe and America market	Long term
3	To build offices in America and Germany	1 year

Section 8: Production Flow

Production Flow					
No	Production Process	No	Production Process	No	Production Process
1	 Cutting	2	 Metal Processing	3	 The first test
4	 The first test-2	5	 The first test-3	6	 Semi-finished products inspection
7	 Assembly	8	 Clean	9	 Magnetizing
10	 Product testing	11	 Packaging	12	 Storage

Section 9: Certification & Photos

Certification	
<p>Business License(Original)</p> 	<p>Business License(Duplicate)</p> 
<p>Tax Registration Certificate(Original)</p> 	<p>Tax Registration Certificate(Duplicate)</p> 
<p>Organization Code Certificate</p>	<p>Permit for Opening Bank Account</p>



Self inspection Registration Form



Social insurance registration



Certificate of approval



Financial registration certificate of foreign investment

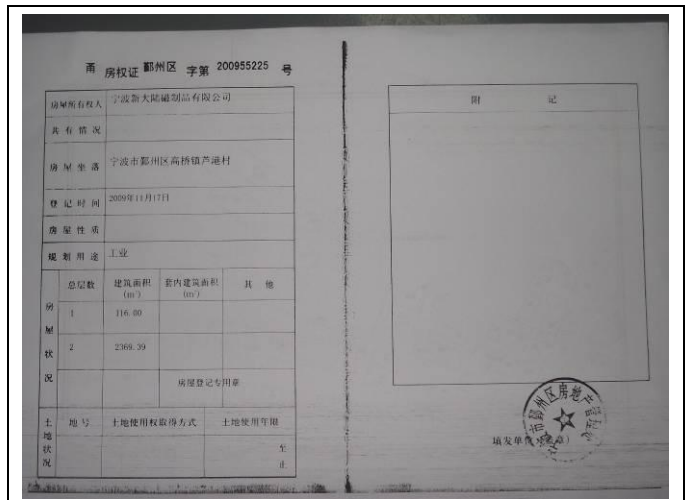
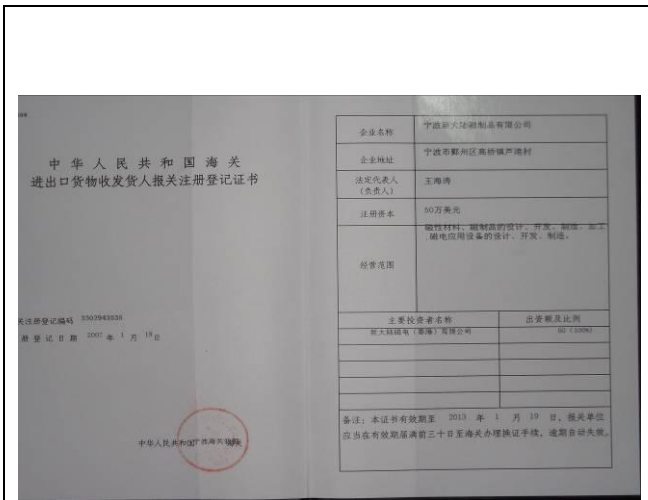


Registration certificate import and export goods



Real Estate Certification

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ISO19001:2008



Section 10: Company and Product Samples

Company and Product Samples	
Company Gate	Office

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Workshop



Workshop



Product Sample



Product Sample



Product Sample



Product Sample



Product Sample



Product Sample



Product Sample



Product Sample



Product Sample



Product Sample



Product Sample



Product Sample



-- End of Report --

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