TO: CLIENT  
C.C.: STEVE  
FM: C.K.KWOK  

- STR(HK)

**INSPECTION REPORT (1ST)**

**PROJECT #**: HI1113807 (41417.41430.03.0110)  
**INSPECTION DATE**: OCT. 11, 2011  
**REPORTS ISSUED DATE**: OCT. 12, 2011  
**VENDOR**: VENDOR NAME  
**FACTORY**: FACTORY NAME  
**COUNTRY OF ORIGIN**: CHINA

**ITEM**: LEAF PLATTER  
**P.O. NO.**: 1236  
**MODEL #**: 12333  
**LOT SIZE**: 2020 PCS  
**SAMPLE SIZE**: 200 PCS  
**DATE CODE**: N/A  
**SERVICE TYPE**: IPC ( ), DUPRO ( ), FRI (X)

**INSPECTION STANDARD**: ANSI/ASQ Z1.4-2008, SINGLE SAMPLING PLAN, GENERAL INSPECTION LEVEL (III), OTHERS  
**INSPECTION RESULT**: REJECTED DUE TO AQL FAILED AND SEE REMARK 5-7

- SHIPMENT RELEASE SUBJECT TO THE INSTRUCTION OF CLIENT

**AQL**: (0) CRITICAL  
(1.5) MAJOR + MINOR  
**AC**: 0 RE: 1 RESULT: CRITICAL  
**AC**: 7 RE: 8 MAJOR + MINOR 39

<table>
<thead>
<tr>
<th>DEFECT DESCRIPTION</th>
<th>CR</th>
<th>MA+ MI</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPEARANCE – CRACK MARK ON UNIT</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE – WOBBLE BASE ON UNIT</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE – DECAL OFF POSITION ON BOTTOM OF UNIT</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE – PIN HOLE ON UNIT</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE – SCRATCH ON BODY</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE – SCRATCH ON BOTTOM OF UNIT</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE – DULL COLOR ON BOTTOM OF UNIT</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE – BLISTER ON UNIT</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE – CHIP ON BOTTOM OF UNIT</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**: 0 39

Revision ID: Mar. 11, 2010
1. THIS INSPECTION RESULT RELATES EXCLUSIVELY TO THE WORK ORDERED AND THE LOT INSPECTED.

2. THIS INSPECTION REPORT SHALL NOT BE REPRODUCED EXCEPT IN FULL WITHOUT THE APPROVAL OF STR AND THE CLIENT.

3. CLIENT APPROVED SAMPLE / INSPECTION SPEC. AVAILABLE FOR INSPECTION REFERENCE AT TIME OF INSPECTION: SAMPLE: YES (X); NO ( ); FACTORY SAMPLE: YES ( ), SPEC.: YES (X), EFFECTIVE DATE ___ ; NO ( ).

4. SPECIAL INSPECTION ENVIRONMENTAL CONDITIONS REQUIRED: YES ( ); NO (X).

5. ORDER LOT SIZE 2020 PCS, ACTUAL FINISHED QTY 1638 PCS (81.1%), UNFINISHED QTY 382 PCS (18.9%)
   FINISHED AND PACKED INTO MASTER CARTON QTY 1638 PCS (81.1%);
   FINISHED AND PACKED INTO INNER CARTON QTY 0 PCS (0%);
   FINISHED AND PACKED INTO INDIVIDUAL/POLYBAG PACKING QTY 0 PCB (0%);
   FINISHED AND WITHOUT ANY PACKING QTY 0 PCs (0%);

6. INSPECTION SAMPLE DRAWN FROM 1638 PCS (81.1%);
   FROM MASTER CARTON PACKING, 200 PCS 12.2%);
   FROM FINISHED WITH INNER CARTON PACKING, N/APCS (N/A%);
   FROM FINISHED WITH INDIVIDUAL/POLYBAG PACKING, N/A PCS (N/A %);
   FROM FINISHED BUT WITHOUT PACKING, N/A PCS (N/A %);
   TOTAL SAMPLE SIZE WAS 200 PCS, PENDING FOR CLIENT’S AUTHORIZATION ON INCOMPLETE LOT.

7. TOTAL 34 CARTONS WERE DRAWN FOR INSPECTION; QC CHOP NO.HI021 CARTON NO: NO CARTON NUMBER WAS FOUND ON SHIPPING MARK.
   INSPECTED AND PASSED SAMPLES WERE REPACKED INTO N/A CARTONS.
   CARTON NO.: N/A.

8. ARE THERE ANY ODORS INSIDE FACTORY UPON INSPECTOR ARRIVAL? YES ( ) / NO (X)

9. ANY UNCOMFORTABLE ODORS OCCUR WHEN OPENING THE FIRST INSPECTION CARTON?
    YES ( ) / NO (X)

10. ANY EXTRA SPACE FOUND WITH EITHER INNER OR MASTER CARTON ON SECTION – INNER AND MASTER PACKAGING? YES ( ) / NO (X) IF YES –VOID SPACE N/A (L X W X H CM)
### INSPECTION CRITERIA:

**FOR ALL MERCHANDISES**

<table>
<thead>
<tr>
<th>( ) GENERAL</th>
<th>CRITERIA</th>
<th>RESULTS (PASS / FAIL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- (X) Unit’s Appearance</td>
<td>In conformity with ref. sample</td>
<td>FAILED</td>
</tr>
<tr>
<td>- (X) Packaging</td>
<td>In conformity with ref. sample</td>
<td>PASS</td>
</tr>
<tr>
<td>- (X) Shipping Mark</td>
<td>In conformity with P.O. / Spec.</td>
<td>PASS</td>
</tr>
<tr>
<td>- (X) Labels &amp; Markings</td>
<td>In conformity with ref. sample</td>
<td>PASS</td>
</tr>
<tr>
<td>- ( ) Accessories</td>
<td>As per Client’s requirement</td>
<td>N/A</td>
</tr>
<tr>
<td>- (X) Quantity Check</td>
<td>In conformity with P.O.</td>
<td>REMARK 7</td>
</tr>
<tr>
<td>- ( ) Others</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TESTS PERFORMED**

<table>
<thead>
<tr>
<th>( ) FUNDS PERFORMED</th>
<th>SAMPLE LEVEL NO.</th>
<th>CRITERIA</th>
<th>RESULTS (PASS / FAIL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- ( ) Functional Test</td>
<td></td>
<td>As per intended design</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) Assembly Test</td>
<td></td>
<td>As per intended design</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) UPC Check</td>
<td></td>
<td>As per Client’s requirement</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) I2 of 5 Code Check</td>
<td></td>
<td>As per Client’s requirement</td>
<td>N/A</td>
</tr>
<tr>
<td>- (X) Drop Test</td>
<td>N/A 1CTN</td>
<td>As per Client’s requirement</td>
<td>PASS</td>
</tr>
<tr>
<td>- ( ) Others</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FOR ELECTRICAL ITEMS ONLY**

<table>
<thead>
<tr>
<th>( ) SPECIFIC TESTS</th>
<th>SAMPLE LEVEL NO.</th>
<th>CRITERIA</th>
<th>RESULTS (PASS / FAIL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- ( ) Hi-Pot Test</td>
<td>N/A N/A</td>
<td>Per (V) UL (OR BSI)</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) Polarity Test</td>
<td>N/A N/A</td>
<td>Live→Narrow blade or “L” terminal of plug, switch, center point of lampholder</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) Ground continuity Test</td>
<td>N/A N/A</td>
<td>Exposed metal parts connected to ground</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) Endurance Test</td>
<td>N/A N/A</td>
<td>As per Client’s requirement</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) Insulation Resistance Test</td>
<td>N/A N/A</td>
<td>As per Client’s requirement</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) Major Parts / Component Review</td>
<td>N/A N/A</td>
<td>In conformity with ref. Sample / part lists</td>
<td>N/A</td>
</tr>
<tr>
<td>- ( ) Others</td>
<td>N/A N/A</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>
REMARKS:

1. PACKING: EACH SET WAS PACKED INTO A RESHIPPER BOX WITH HOLIDAY CARD, POLYFOAM INSIDE FOR PROTECTION, THEN 6 PCS RESHIPPER BOXES WERE PACKED INTO A MASTER CARTON, TOTAL 6 SETS PER MASTER CARTON.
2. LOGO & CARE INSTRUCTIONS WAS PRINTED ON BOTTOM OF EACH UNIT.
3. A LABEL WITH “CCIT210” WAS STUCK ON MASTER CARTON.
4. SIZE & WEIGHT:
   A. MASTER CARTON: 17" X 14 1/8" X 15" / 10KGS.
   B. UNIT CARTON: 13 3/8" X 13 3/8" X 2 1/2" / 1.53KGS.
   C. UNIT: 11 5/8" X 11 5/8" X 7/8" / 1.286KGS

   *5. ACTUAL PRODUCT SIZE WAS 11 5/8" SQUARE DIFFERENT FROM CLIENT’S SAMPLE 11 1/8" SQUARE WHILE 11.5" SQUARE REQUIRED ON CLIENT’S SPEC.
   *6. THE PRODUCT HAND/FEELING FOR MASS PRODUCT WAS ROUGH WHILE CLIENT’S SAMPLE WAS MORE SMOOTH.
   *7. ONLY 1638 PCS OUT OF LOT SIZE 2020 PCS FINISHED AND PACKED UNTIL 3PM.

SHIPPING MARK:

MASTER CARTON:

FRONT & BACK

ITEM: LEAF PLATTER
TS ITEM # 12333
TS PO # 12346
MC QTY: 6 PCS

TOP

N/A

SIDE

N/A

CARTON NO.: FROM N/A TO N/A  6 PCS PER CARTON

INSPECTORS: ELAINE WU (JANE / RONGLAN ZHANG)
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<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCT</td>
<td>INSTRUCTION MANUAL</td>
</tr>
<tr>
<td>MARK ON PRODUCT</td>
<td>DROP TEST</td>
</tr>
<tr>
<td>STABILITY TEST</td>
<td>SAMPLE &amp; PRODUCT</td>
</tr>
<tr>
<td>SAMPLE &amp; PRODUCT</td>
<td>SAMPLE &amp; PRODUCT</td>
</tr>
</tbody>
</table>

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APPEARANCE – DECAL OFF POSITION ON BOTTOM OF UNIT

APPEARANCE – PIN HOLE ON UNIT

APPEARANCE – SCRATCH ON BODY

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MODEL #: 360023  INSPECTION DATE: OCT. 11, 2011

APPEARANCE – SCRATCH ON BODY

APPEARANCE – SCRATCH ON BOTTOM OF UNIT

APPEARANCE – DULL COLOR ON BOTTOM OF UNIT

APPEARANCE – SCRATCH ON BODY

APPEARANCE – SCRATCH ON BOTTOM OF UNIT

APPEARANCE – DULL COLOR ON BOTTOM OF UNIT
### Appearance

<table>
<thead>
<tr>
<th>Description</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dull color on bottom of unit</td>
<td><img src="image1.png" alt="Image" /></td>
</tr>
<tr>
<td>Blister on unit</td>
<td><img src="image2.png" alt="Image" /></td>
</tr>
<tr>
<td>Chip on bottom of unit</td>
<td><img src="image3.png" alt="Image" /></td>
</tr>
</tbody>
</table>
COMPUTATION OF CHARGES AND PAYMENT

1. if the Work(s) are rendered by STR to the Customer shall be on a non-exclusive best-efforts basis.
2. It is explicitly agreed by STR and the Customer that all technical information (whether contained in models, drawings and the Customer's drawings, written reports, letters, memos or notes or in any other form) shall be strictly confidential by STR for the purposes of this Agreement and STR and all at times use all reasonable efforts to prevent disclosure to third parties of any part thereof unless expressly authorized in writing by the written consent of the Customer specifically authorizing such disclosure PROVIDED ALWAYS AND IT IS MUTUALLY AGREED THAT the confidentiality shall extend for a period of five (5) years from the date of completion of its Work(s) and PROVIDED FURTHER that STR shall not be liable under this clause if through no fault of STR the information is generally known to the public; or the information is generally known to STR; or is independently developed by STR without recourse to the materials provided to the information; or is the information is necessary for performance by STR under this Agreement; or is disclosed in accordance with a judgment or order made by a competent court of any jurisdiction to which the terms are subject; or is an order, notice or requirement issued by a governmental authority; or is disclosed to the certification or accreditation bodies with which the information are relevant to the scope of certification or accreditation criteria.

3. 5.3 STR undertakes that the identity of its Customers and the nature of the Work(s) / result(s) / work(s) is valid for a period of ninety (90) days from the date of the proposal unless extended in writing by STR. Unless otherwise specified or required by the applicable law, the proposal is revocable after thirty (30) days after the proposal is sent to the Customer by STR. Where in the opinion of STR the Work(s) / result(s) / work(s) are rendered shall be kept confidential unless the Customer shall be held responsible for these risks, which are out of the Customer's control. The Customer may not be liable for any damages incurred by the Customer for any changes made to the Work(s) / result(s) / work(s) after it has been transmitted.

LIMIT OF LIABILITY

9. If and to the extent that the Control of Exemption Clauses Ordinance (Cap. 71 Laws of Hong Kong) applies to this Agreement and that STR is held liable to the Customer, notwithstanding Clause 9.1 and anything contained in this Agreement, STR's liability to the Customer, in contract, tort (including negligence or breach of statutory duty) or otherwise however, shall be limited to the amount of the fee paid in respect of the specific Work which gives rise to such claim.

INDENITY

10. In the event of actual or threatened suit against STR in relation to the Work(s) undertaken on behalf of the Customer or in relation to any of the Products or the Trade Mark or the Customer or of any allegation of infringement of any letters patent, registered design, trade mark or trade name, the Customer shall indemnify STR harmlessly from any liability, action, claim, costs, charges, compensation and expenses including solicitors fees, counsel fees in defending such action PROVIDED ALWAYS that the Customer will at its own election either effect any settlement or compromise or at its own expenses defend any such action or proceeding and the Customer shall pay the costs of any settlement or compromise effected.

EFFECT OF PROPOSAL

11. This Terms and Conditions of Service proposal is valid for a period of ninety (90) days from the date of the proposal unless extended in writing by STR. Upon the acceptance of such proposal, this Terms shall form part of the Agreement with the Customer and notwithstanding any prior oral or written agreements or the contrary, the terms herein shall be applicable and take precedence over any conflicting terms contained in any written or口服 agreements submitted to the Customer.

MODIFICATIONS TO SERVICES

1. Any provision of this Agreement prohibited by or regarded as unlawful or unenforceable under any applicable law and applicable by any court of competent jurisdiction shall, to the extent required, be severed from this Agreement and rendered ineffective so far as it is possible without affecting the remaining provisions of this Agreement. Where however the provisions of any such applicable law may be waived, they are hereby waived by the parties hereeto to the full extent permitted by such law to the end that this Agreement shall be valid and binding enforcement enforceable in accordance with the Terms.

2. A certificate signed by office officer of STR as to the amount due from the Customer hereunder at the date of such certificate shall, in the absence of manifest error, be conclusive evidence of the amount due.

3. Notwithstanding this Agreement shall be considered to form a partnership between the parties. No party shall represent that it acts as agent for another or has any capacity to bind another in any contractual or other arrangements.

4. Save as herein otherwise provided any notice required to be given hereunder shall be sufficiently given if given in writing or by facsimile, email, internet or other possible means to the latest known address of the addressee at the time when in the course of transmission it should have been received and any advice of addition or change or new assignment shall only be effective in writing between both parties. If both parties agree in writing to perform such obligations, the Customer shall compensate STR for such losses and damages.

1. If the Work(s) are undertaken by STR hereunder cannot be completed by the Customer to perform its obligation to assist, STR shall have the right to demand the Customer to perform its obligation within a reasonable period of time and may appropriately extend the time limit for STR to complete its Work(s). If the completion of such reasonable time period the Customer still fails to perform its obligation to assist, STR may terminate this Agreement, without prejudice to any other rights of STR hereunder or under any applicable laws and regulations.

OBLIGATIONS OF THE CUSTOMER

2.1 It is mutually agreed that neither party shall solicit the employees of the other for employment or hire unless prior written notice of such an order, notice or requirement issued by a governmental authority is issued and anything contained in this Agreement, STR's liability to the Customer, in contract, tort (including negligence or breach of statutory duty) shall STR be liable, in contract, tort (including negligence or breach of statutory duty) for any loss or damage resulting from such a transaction.

1.2 Disbursements incurred on the Customer's behalf such as expenditure for communications, transportation, travel, purchase of any materials, tools, equipment, components or parts which are directly related to billed at costs and shall be included in the Customer's reasonable handling charge at the discretion of STR.

1.3 Where in the opinion of STR the Work(s) are time consuming entailing the use of special equipment and disbursements, the Customer shall be charged on an "equipment-hour" basis on the time spent.

1.4 Payments shall be made in Hong Kong Dollars at STR's address or at such other address and in such manner as STR may from time to time specify. Payment made by post shall be at the risk of the Customer.

2.1 The Customer undertakes during the continuance of this Agreement:

(a) To promptly pay all bills rendered to the Customer from time to time.
(b) Unless otherwise agreed in writing, payment is to be made within seven (7) days from the date of Invoice or Debit Note; if not, the full balance of the invoice shall accrue interest on overdue invoices at the rate of 0.5% per month;
(d) STR shall have a lien on any goods of the Customer until payment but the exercise of such lien shall not prevent interest from accruing.

1.5 STR guarantees that the identity of its Customers and the nature of the Work(s) / result(s) / work(s) undertaken for the Customer in order to assess STR's competence and compliance with the relevant certification or accreditation criteria.

1.1 Should any of the Supporting Documents Less than three (3) years be scheduled to be destroyed, STR shall give the Customer thirty (30) days' written notice to the Customer's last known address of its intention to destroy the Supporting Documents. Unless the Customer makes a written request to STR reaching STTR before the expiration of the said thirty (30) days seeking delivery of those documents to the Customer at the Customer's expenses, those documents shall be destroyed.

1.1 STR's use of the aforesaid inventions shall be free of any royalty fees provided that the use of such inventions are confined to the performance of Work(s) for the Customer.

3.1 STR guarantees that the identity of its Customers and the nature of the Work(s) / result(s) / work(s) undertaken by STR hereunder or under any applicable laws or regulations.

4.1 Considering that neither party shall solicit the employees of the other for employment or hire unless such action is valid for a period of thirty (30) days from the date of the proposal unless extended in writing by STR. Unless otherwise specifically agreed between the parties, the Work(s) rendered by STR to the Customer shall be on a non-exclusive best-efforts basis.

5.1 Unless otherwise specifically agreed between the parties, the Work(s) rendered by STR to the Customer shall be on a non-exclusive best-efforts basis.

6.1 It is agreed that STR guarantees that the identity of its Customers and the nature of the Work(s) / result(s) / work(s) undertaken by STR hereunder or under any applicable laws or regulations.

7.6 This Agreement and the rights and obligations of the parties shall in all respects be governed, construed, interpreted and operated in accordance with the Laws and Regulations of Hong Kong.