

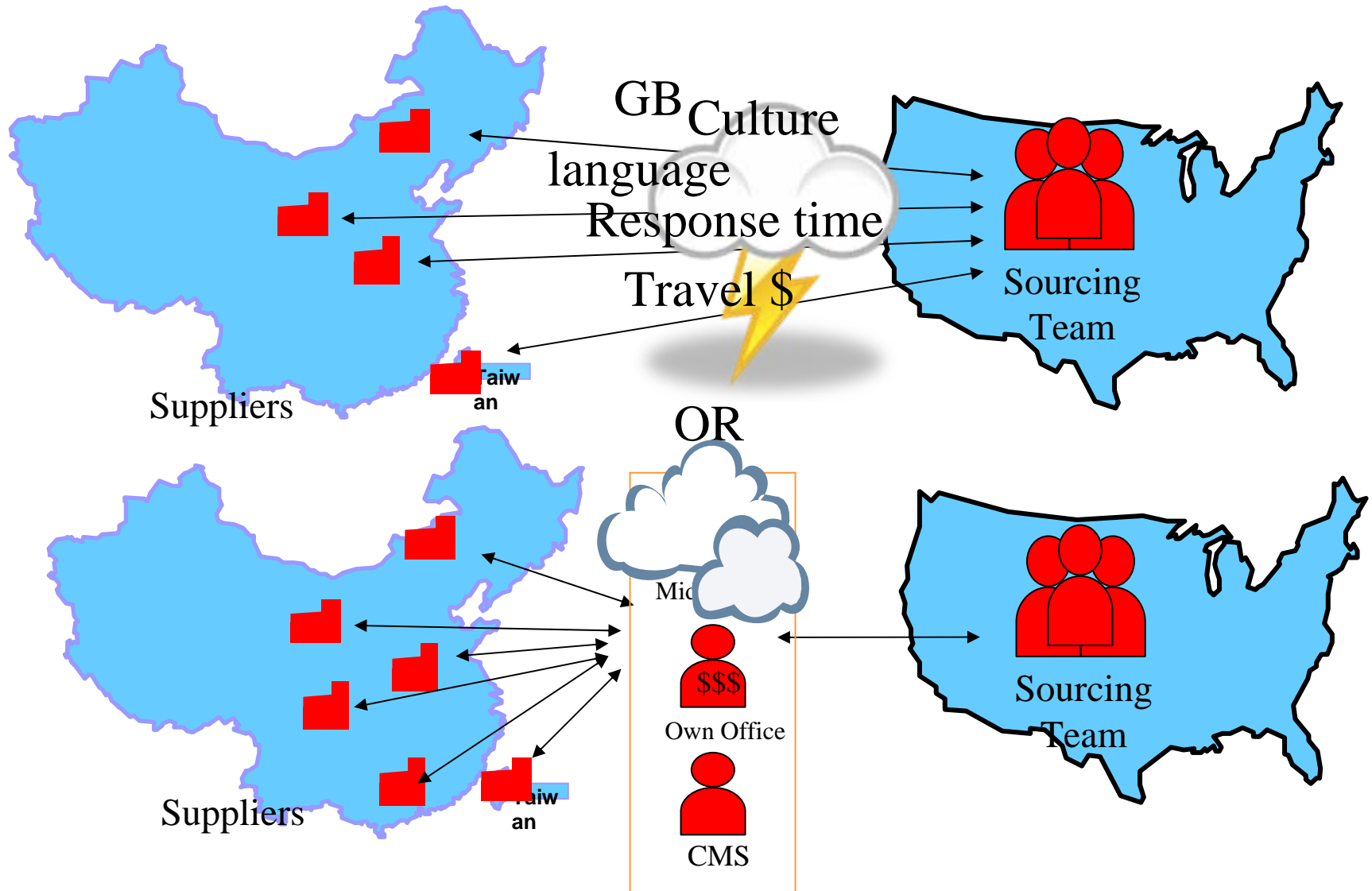


清山

clearmountain

**Clear
Mountain
Sourcing**

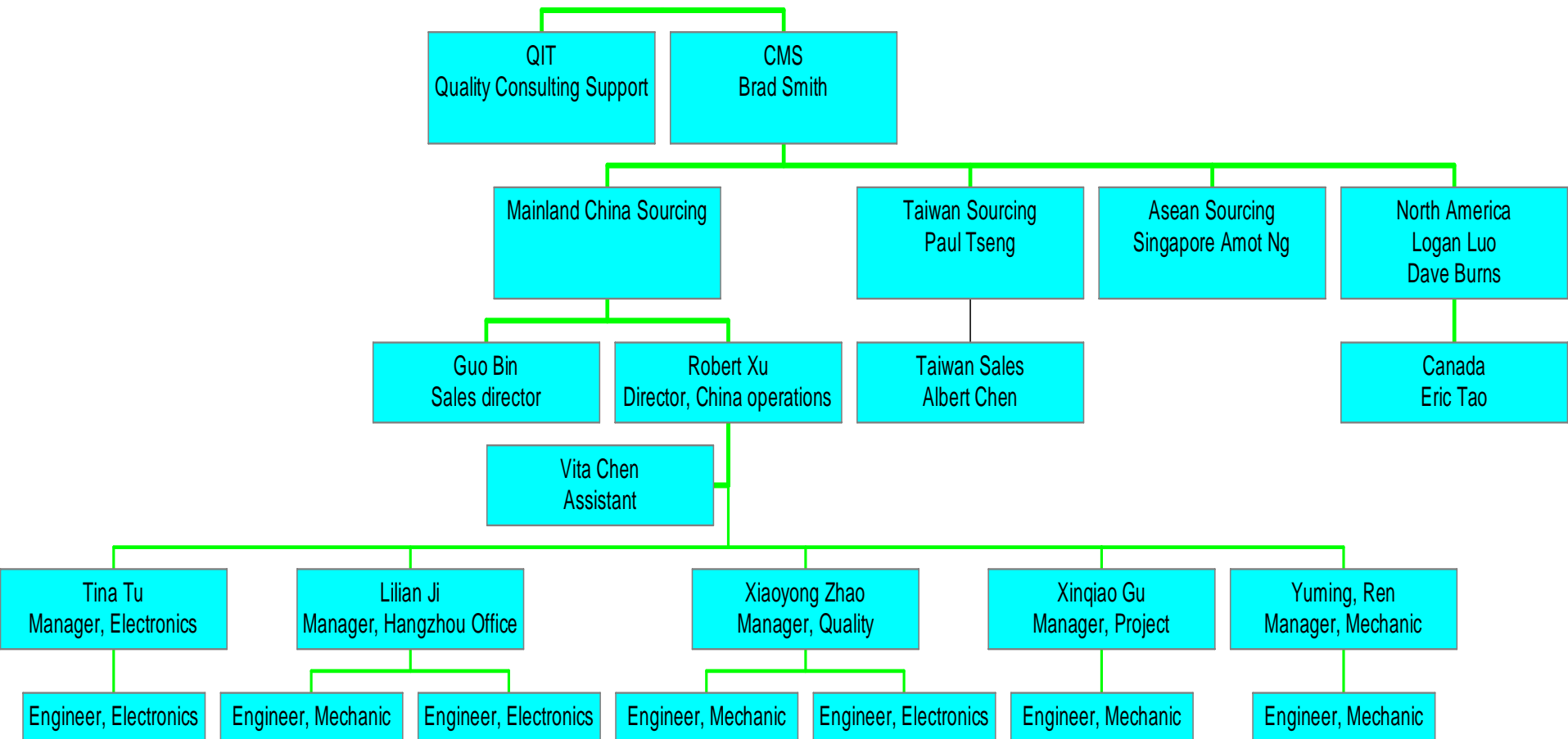
Business Model



How we operate

- We serve as the 'Office' of our customers and are their agents: as 'you' or as 'CMS'.
 - We leverage customer's strengths
- We take no payment from suppliers
 - No mixed loyalty
- We maintain transparency in our actions
 - No secret deals
- We ensure the suppliers meet the customers specific quality requirements
 - Your standards and formats
- We provide flexible support to our customers
 - Pay for what you need

Clearmountain Sourcing Organization



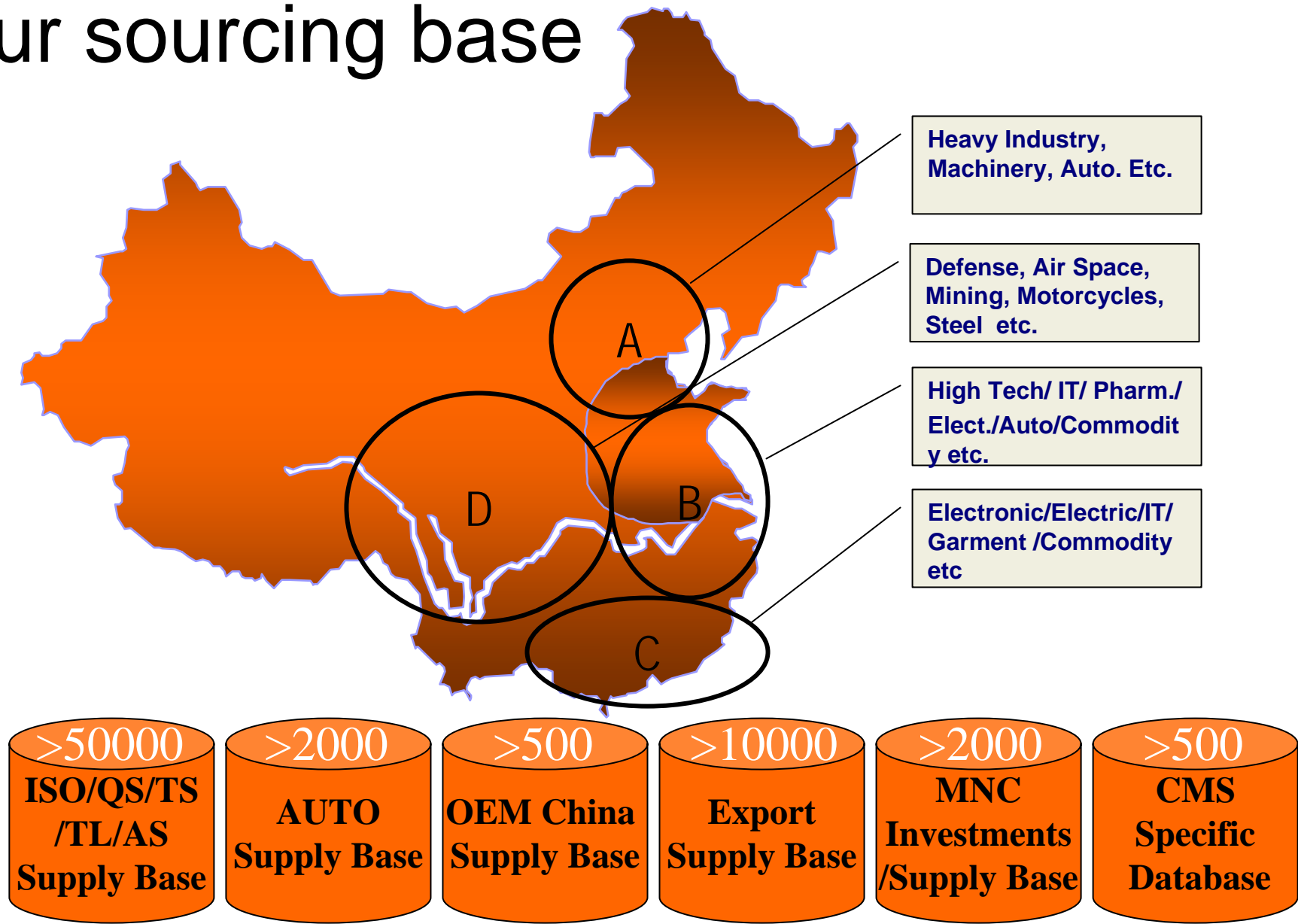
Scope Of Service

- Market Research
- Supplier Out Reach
- Contract Negotiation
- Logistic Arrangement
- Quality System Audit
- Product Quality Audit
- Issues Follow Up

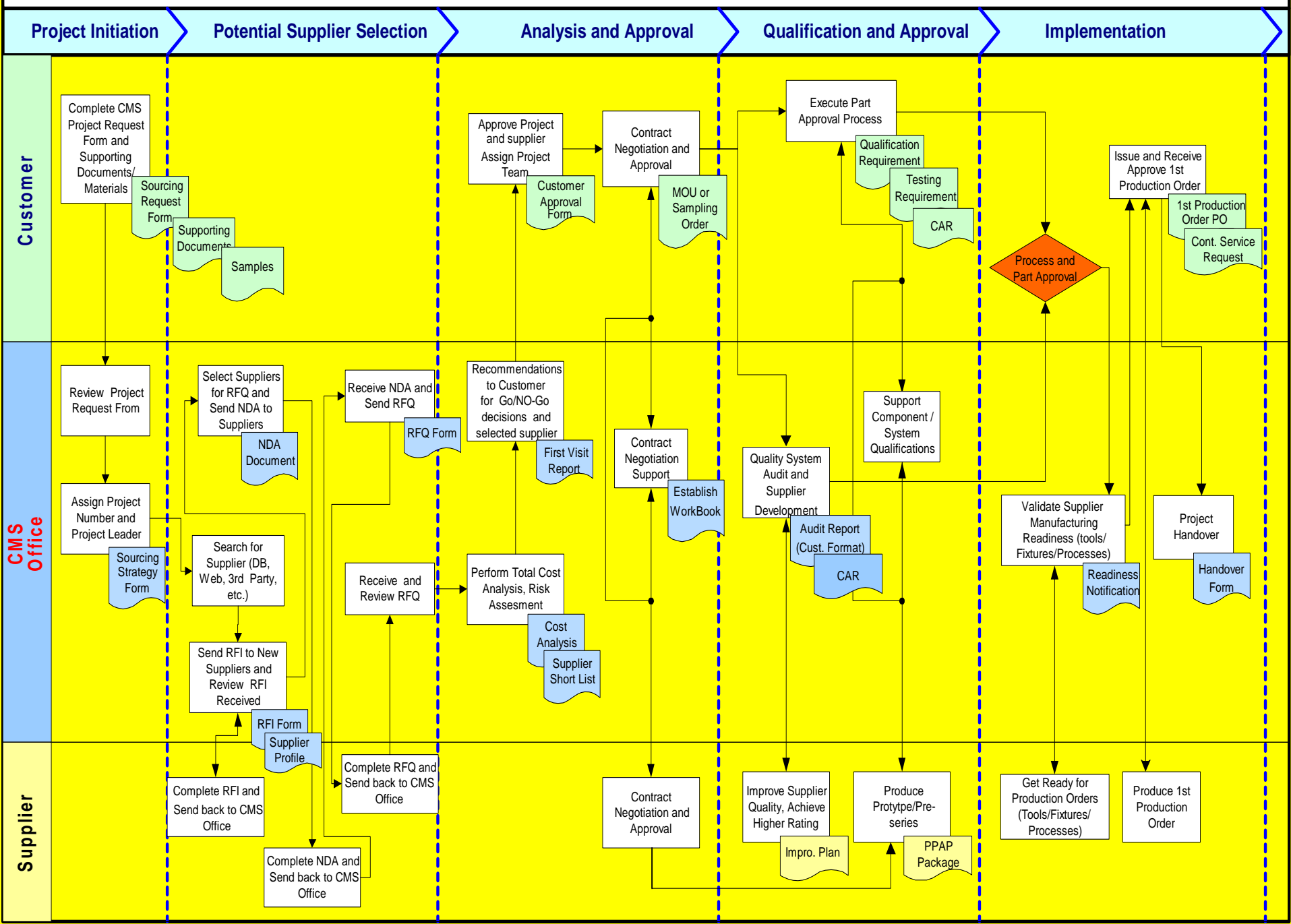
Elevator and Escalator Experience

- **Robert Xu**: former Manager, *Otis Strategic Sourcing Office*, Shanghai
- **Logan Luo**: former Quality Manager, *Guangzhou Otis Elevator/Escalator Factory*
- **Xiaoyong Zhao**: former *Kone China* Engineer

Our sourcing base



CMS Sourcing Management Process



In plain English

- Provide specifications and other requirements including qualification requirements
- Review the samples and documents provided by CMS
- Approve and place order

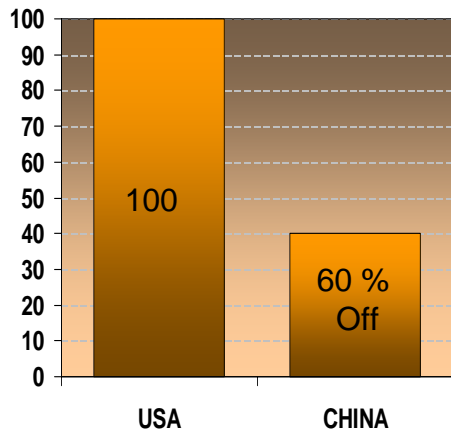
Customer Benefits – Quality Assurance

- Language and technical interface between customer and supplier
 - In China and North America
- Quality System/Process Audit, ISO/QS/VDA/TL
- APQP-type process and PPAP Preparation
- FAI & Production readiness verification
- Quality Issue Follow up
- Provide training on above

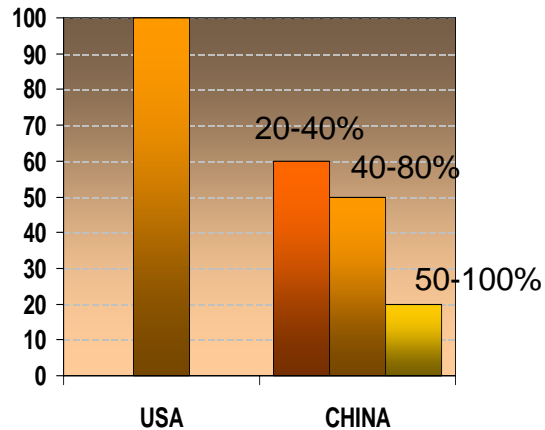
Customer Benefits - Quick Cost Savings

- **Forgings: up to 60% savings** (tooling driven)
 - Rail clips, terminations, sundries
- **Castings: 40% sand**, higher for investment
 - Pulleys, wheels, sheaves,
- **Machining:**
 - Machine parts
- **Ropes and Rails** (watch anti dumping for rails.)
- **Extrusions:**
 - Sills

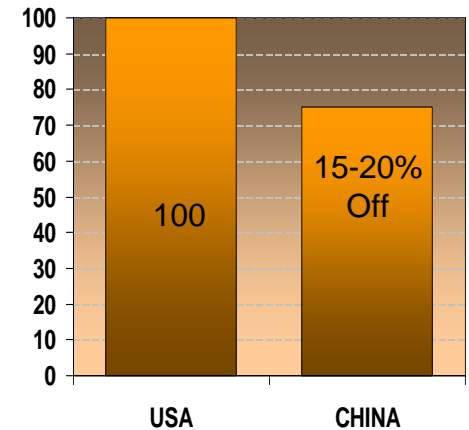
Saving Opportunities



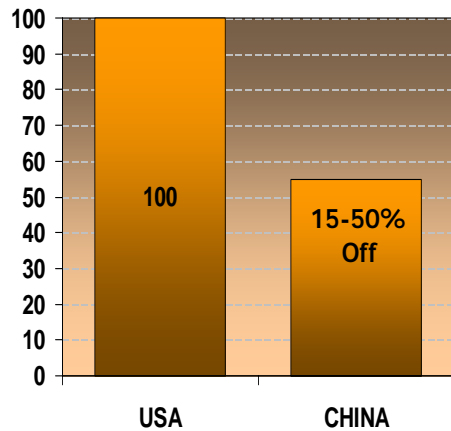
Forging



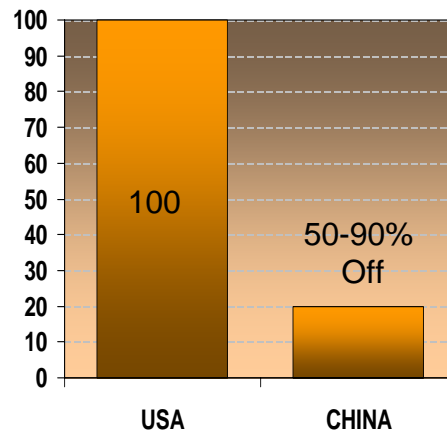
Allu./Sand/Investment Castings



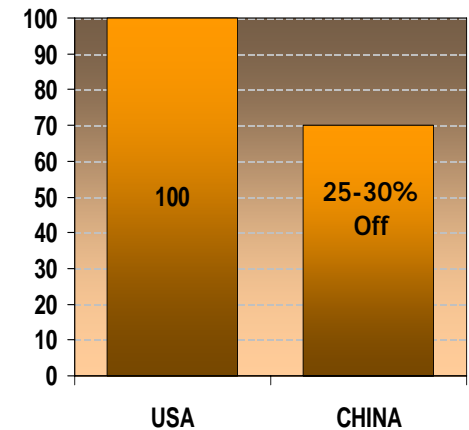
CNC Machining/Sheet Metal Fabrication



Motor/Transformer etc.



Fastener/Hardware etc.



Electronic Assembly

Frequently Asked Issues

- Information required for supplier outreach and costing
- Materials and material substitution
- In China Code approval (TUV, etc)
- What can get quick success?
- What is a good sourcing model?
 - Bits and parts then assemblies
- Normal practice:
 - 50% of tooling up front, refund if not to spec