

Name of Supplier: Wuhan Honghao Machinery Trading Co., Ltd	Country: China
Address of Supplier: No.139, Xinhua Road, Wuhan City, Hubei Province, China	
Visit date: Aug.19~20, 2010	
Main Contacts: Ms. Liu Qiao (General Manager)	
Report distribution:	

SUMMARY

SGS auditor performed supplier assessment on Aug.19~20, 2010 at Wuhan Honghao Machinery Trading Co., Ltd.

The supplier Wuhan Honghao Machinery Trading Co., Ltd is a company engaged in manufacturing, sales and services of steel balls, bearings, transmission machinery and automobile parts.

The detail audit process including: ISO9001:2000 certificate, quality manual and relevant quality record were submitted to SGS auditor for review in the office. The main facilities, the manufacturing process and storage condition of steel balls were toured in the workshop.

Overall Summary:

The ISO9001:2000 certification is valid to Feb. 10th 2012, the certificate was issued by

Comments for improvement:

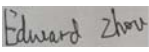
1. QA internal audit needs to be carried out and recorded 1 time at least every year.
2. Measuring and test equipment management table should be controlled, and calibration status for the measuring and test equipments should be periodic labeled.

Overall Assessment Proposal of POLS:

Qualified: \emptyset

Conditionally qualified: \emptyset

Not qualified: \emptyset

Supplier Monitoring	Assessor, printed name:	signature:	Date:
	Edward Zhou		Aug.23, 2010

GUIDE FOR THE COMPLETION OF QUESTIONNAIRE

Indicate your assessment result for each chapter by crossing for "Satisfactory" or "Action needed" in the appropriate box
Where the assessment is judged either "Satisfactory" or "Action needed" details must be given in the space provided in order to substantiate the decision made. Use a continuation sheet if necessary and if, refer to it in your report.

Quality Organisation

<input checked="" type="checkbox"/>	satisfactory	<input type="checkbox"/>	Action needed
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1. Does the company get ISO9000 certificate or some other product certifications?

Yes. The supplier got the ISO9001:2000 certificate from 2005, the latest certificate is valid and the valid date is Feb.10, 2012.
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Supplier Assessment Checklist Quality

2. Does the company have a QA Manual and procedures in accordance with ISO 9000 requirements?

Yes.
QA Manual No. WHHH/QMS Rev.A/0 is quality assurance manual for the execution of ISO9001:2000, as far as reviewed, the relevant procedures were found in accordance with requirements of ISO 9001:2000.

3. **Does the company have a Quality Management Programme, which is certified to ISO 9000 by an authorised independent authority?**

If so which authority issued the certificate and is this still valid?

Yes.
The quality management programme certified to ISO9000 was issued by Guangdong Zhongjian Certification Co., Ltd on Feb.11, 2009 and the valid date is Feb.10, 2012.

4. Does the QA Manager have a position in the organisation, which allows him to control quality and report regarding the firms quality performance to Senior Management for their review?

Yes.
ChuanLong Liu is the QA manager.

5. Does the company recorded and filed for the client receipt, such as invoice, packing list and bill of lading? Can check these files any time?

Yes.
The client receipt such as invoice, packing list are recorded and filed by the supplier, these files could be checked any time.

6. Does the company have the procedure for approving the contract?

Yes.

Incoming Inspection and Stores

	satisfactory	✓	Action needed
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7. For incoming inspection do the personnel carrying out the inspection have criteria / guidelines available for them to decide if material is acceptable or not?

The personnel purchase and carry out the inspection and decide if the material is acceptable or not as per the material quality certificate.

8. Is the production environment neat and clean?

Some area of the production environment isn't very neat and clean.

9. Does the company have stores?

There are stores for products.



10. Are items adequately identified in the stores? Does it have special storage areas for the different materials and products?

Yes.
In the product store, the different products are identified with corresponding labels, and there is a special storage area to store special products.

11. Does the company have the special storage areas to isolate the defective and non conforming items?

The isn't a special storage area to isolate the defective and nonconforming items, but the defective and nonconforming items are identified with labels in the workshop.

12. How does the company deal with the non conforming items?

The non conforming items are identified on the route cards by QC and the route cards were put together with the non conforming items.

13. Does the company have packing department? What manners of packing they can supply?

Yes.
There are adequate employees to do the packing work in the supplier. There are there packing types for the products, one is packed in wooden cases with wooden pallets and one is packed in iron buckets, and the other is wooden pallet.

In Process Inspection

✓	satisfactory		Action needed
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14. What kinds of the products does the company manufacture? And describe the manufacturing facilities in the company.

The main product manufactured by the company is steel balls and the main manufacturing facilities in the company are as below:

- Cold mound machines
- Resistance furnaces
- Ball grinding machines(3ML46808 and 3M4730)
- Milling machines(3ML4780A)
- Polishing machines(3M4930)
- Automatic selecting machines
- Measuring equipments
- Welding machines(MBC250 and BX1-630A)
- Hardness tester
- Compression testing machine
- Packing machines(ES-103)
- Travelling cranes
- Forklifts
- Trucks for delivery

15. Take some examples of items in the manufacturing process in the works.
Are procedures / drawings available for all processes defining how they are to be carried out, and what tolerances / acceptance criteria are required?

Hand-writing manufacturing procedures were found for manufacturing process during SGS auditor toured the workshop. The requirements of the manufacturing process were indicated on the manufacturing procedures. There was no drawings found in the workshop due to it wasn't need to have drawings for the steel balls.

16. How are non conforming items identified as such?



Who is authorised to apply non-conformance identification (stickers or labels) and who can remove these?

Are non-conformance reports issued for all non conformances and is the disposition of non conformances made by the same people who set the original requirements?

The non conforming items were identified on the route cards by QC and the route cards were put together with the non conforming items. The QC would use another route cards when the non conforming items were disposed and the items would be transferred to next process.

17. Does the company have random sampling procedure?

Yes
The supplier performs random sampling inspection according to GB/T2828<<Sampling procedures for inspection by attributes>>.

Final Inspection

✓	satisfactory		Action needed
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18. Does the company issue the inspection/test report for every shipment as per the requirement? Are the inspection/testing data primary inspection/testing results?

Yes
Inspection report is issued for every shipment as per the requirement by the supplier and the inspection data is accordant with the primary inspection results.

19. How does the company keep and file these reports?

The supplier keeps these inspection reports as per different contracts and sends to the clients as requirement.

Measuring & Test Equipment and inspection personnel

	satisfactory	✓	Action needed
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20. Does the supplier has a system for measuring and test equipment calibration and are calibration traceable back to National Standards?

The measuring and test equipments were sent to the official measurement institute for calibration.

21. Is all measuring and test equipment identified with a unique identification number and labelled to indicate its calibration status?
Check some examples in the works.
Make a note of the equipment numbers and check the calibration status agrees with the records in the calibration department.

Some measuring and test equipments were not identified with a unique number and label to indicate calibration status during touring the workshop.

22. Are procedures available to detail how each item of measuring and test equipment has to be calibrated?

The supplier didn't submit some parts of available procedures to record the measuring and test equipment calibration status.

23. How does the information for the foreign trade personnel? The number of personnel? Educational backgrounds? English level?

There are over 17 employees for the foreign trade in the supplier and 90% have colleague degree. This includes 3 employees whose English levels are TEM-8 and others are CET-6 or CET-4.

General

✓	satisfactory		Action needed
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24. How much is the area of the company?

The area of the company for the steel balls manufacturing including the office and factory is about 5,000m².

25. Does the company have business license? Annual survey or not? How does the registration information for the company, such as products, address, and time of establishment?

Yes.
The company was established in 2005 and the address is No.139, Xinhua Road, Wuhan City, Hubei Province, China. The products the company engaged in are steel balls, bearings, transmission machinery and automobile parts

26. Does the company have registered trademark? If have, what's the registered trademark?

Yes.
The registered trademark of the company is "BCHH".

CONTINUATION SHEET 1

Photos



Photo 1 Valid ISO9001:2000 certificate



Photo 2 QA manual

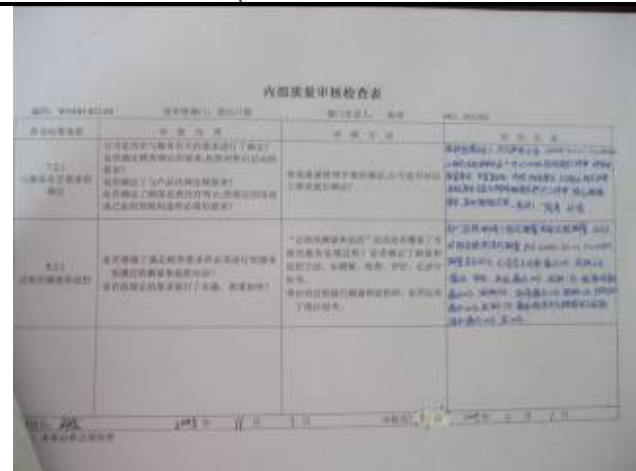


Photo 3 Internal audit record

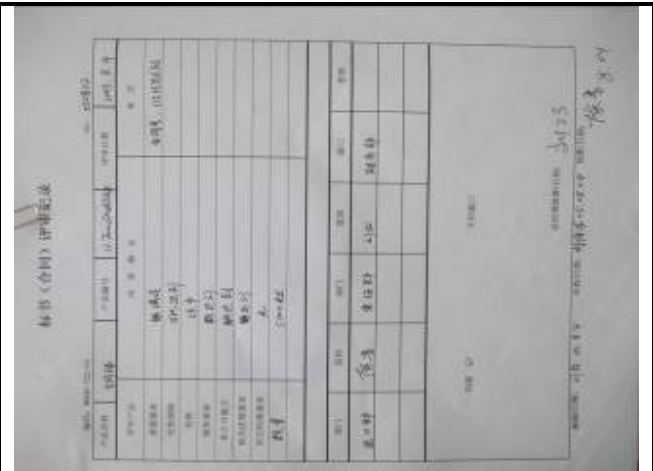


Photo 4 Contract approving record



Photo 5 Feedback of client and complain handling record



Photo 6 Outside workshop



Photo 7 Inside workshop



Photo 8 Travelling crane(Max. 3t)



Photo 9 Resistance furnaces



Photo 10 Grinding machines



Photo 11 Automatic selecting machines



Photo 12 Visual selecting



Photo 13 Measuring equipments



Photo 14 Hardness tester



Photo 15 Compression testing machine



Photo 16 Micrometer without calibration status

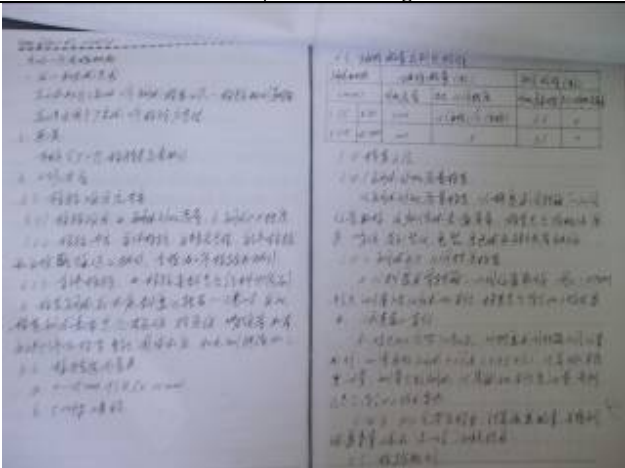


Photo 17 Manufacturing procedures



Photo 18 Inspection record



Photo 19 Product standard



Photo 20 Products identified with route cards



Photo 21 Product storage



Photo 22 Special store for products and identified



Photo 23 Packed in wooden case



Photo 24 Packed in iron bucket

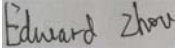


Photo 25 Business license



Photo 26 Registered trademark



Printed name: Edward Zhou	Signature: 	Date Aug.23, 2010
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PACKING



CASE



PALLET



BARREL(250kg)



BARREL(1000kg)