ZLT

Zibo Qingdong Machinery Manufacturing Co.,Ltd

Quality Manual

No.：QD/SC-01-2010

Preparation： Wang Shaorong

Auditor ： Zhang Dongchang

Approval： Liu Xindong

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Controlled No.： QD/SC/QM

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Qingdong Machinery	**Catalog**	Effective date：2010/09/01	

According to the standard of GB/T19001-2008 “Quality Management System” and combined with the facts of the company, the first edition of “Quality Manual” was completed and now be approved and carried out.

The “Quality Manual ” is the regulatory document， the program and the code to guide the company to establish and implement the quality management system.All the employees must follow it.

General manager：Liu Xindong

September 1th, 2010

In order to implement GB/T19001-2008 “Quality management system requirements” and strengthen the leadership of the quality management system, appoint Liu Xindong to be the management representative of our company.

The responsibilities of the representative：

1. Make sure to establish and maintain the process of the quality management system；
2. To report the performance to the top manager, include the improved demand；
3. To promote the formation of the awareness of customer requirements in the company；
4. To contact with others outside and internal in anything related with the quality management system.

General manager：Liu Xindong

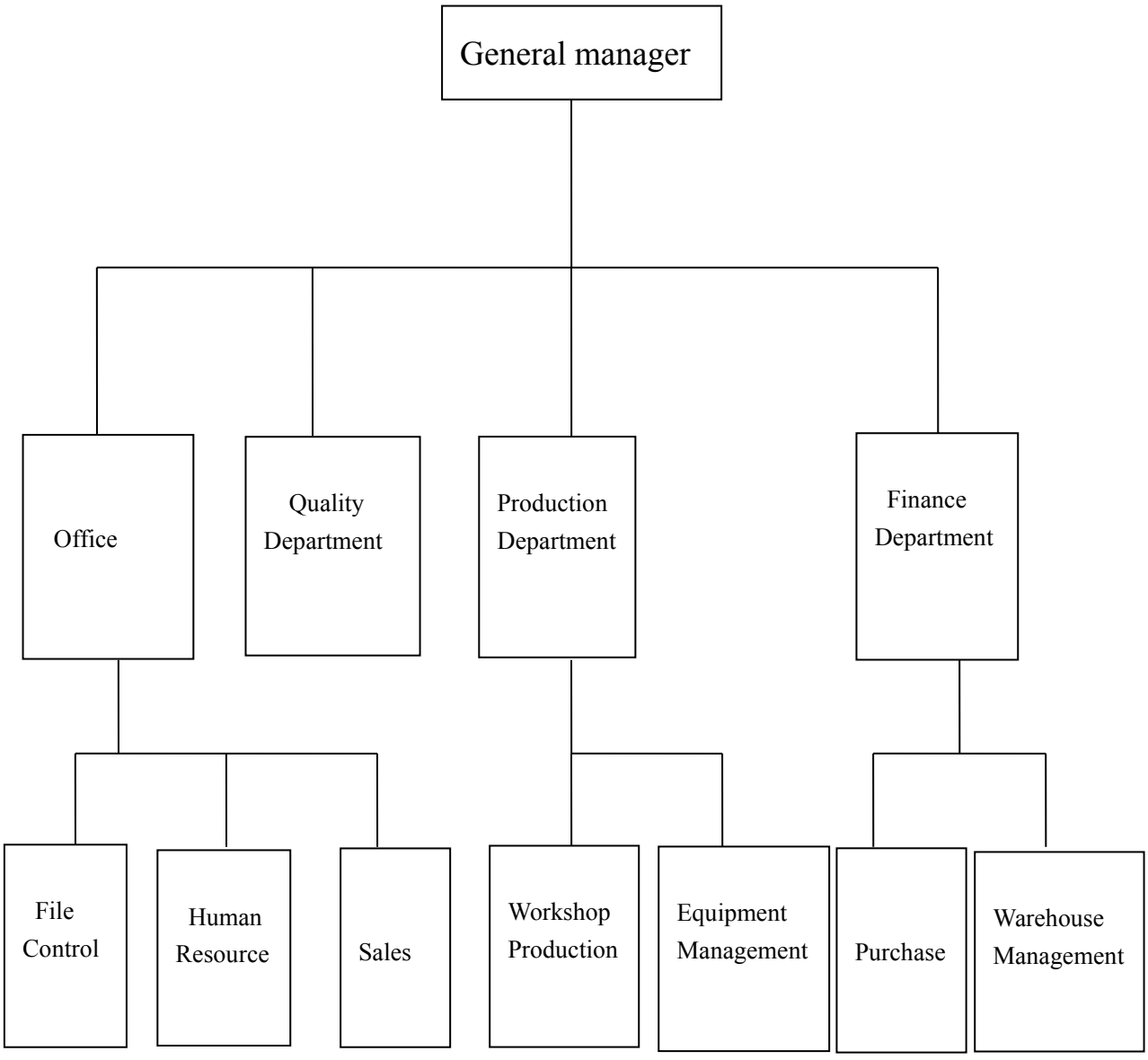
September 1th, 2010

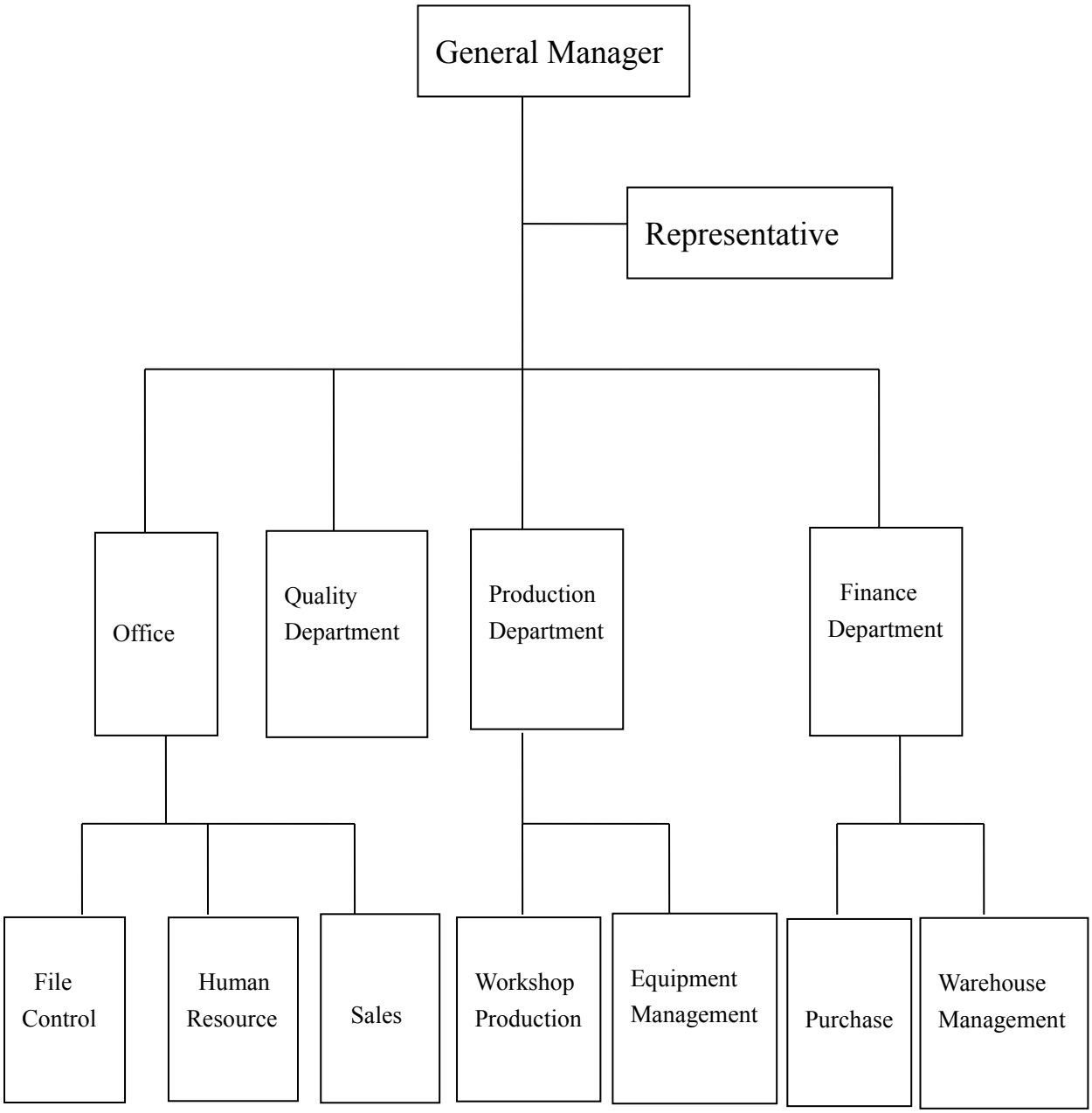
Chapter No.	Modified summary	Modified date	Modifier	Check	Approve

We at Zibo ZLT International (Zibo Qingdong Machinery Manufacturing Co.,Ltd) is located in Zibo city ,Shandong province. We have been specialized in the production of many kinds of castings and machining parts for many years and get the good fame from our customers including from USA ,Canada ,Sweden, Israel, etc.

The castings are mainly made by Lost wax casting, Sand casting, Lost foam casting with the material of stainless steel, heat resistant steel, carbon steel, alloy steel, iron and so on adopting the standard GB, ANSI /ASTM ,DIN, JIS, BS, etc.

The products are widely used in pump industry, power generation, machinery, mining, chemistry and other industries. Many advanced equipment such as the spectrometer, CNC lathe, miller and so on controlled by our experienced workers will absolutely ensure the high quality products released from our company.


General manager
Office
Quality Department
Production Department
Finance Department
File Control
Human Resource
Sales
Workshop Production
Equipment Management
Purchase
Warehouse Management


General Manager
Representative
Office
Quality Department
Production Department
Finance Department
File Control
Human Resource
Sales
Workshop Production
Equipment Management
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Warehouse Management

Process and activities	Leader	Office	Quality	Produce	Workshop	Finance
4.0 quality management system						
4.1 general requirements	★	☆	☆	☆	☆	☆
4.2 documents requirements						
4.2.1 general rules	★	☆	☆	☆	☆	☆
4.2.2 quality manual	☆	★	☆	☆	☆	☆
4.2.3 documents control	☆	★	☆	☆	☆	☆
4.2.4 records of control	☆	★	☆	☆	☆	☆
5.0 management responsibility						
5.1 management commitment	★					
5.2 customer focus	★	★	☆	☆	☆	☆
5.3 quality policy	★	☆	☆	☆	☆	☆
5.4 plan						
5.4.1 quality target	★	☆	☆	☆	☆	☆
5.4.2 system planning	★	☆	☆	☆	☆	☆
5.5 duty ,authority and communication						
5.5.1 duty and authority	★	☆	☆	☆	☆	☆
5.5.2 representative	★					
5.5.3 internal communication	☆	★	☆	☆	☆	☆
5.6 management review	★	★	☆	☆	☆	☆
6.0 resource management						
6.1 provision of resource	★	☆	☆	☆	☆	☆
6.2 human resource	☆	★	☆	☆	☆	☆
6.3 infrastructure	☆	☆	☆	★	☆	☆
6.4 working environment	☆	☆	☆	★	☆	☆

Process and activities	leader	Office	quality	Produce	workshop	Finance
7.0 products realization						
7.1 planning of realization	☆	☆	☆	★	☆	☆
7.2customer-related process	☆	★	☆	☆	☆	☆
7.4.1 purchasing process	☆	☆	☆	☆	☆	★
7.4.2 purchasing information	☆	☆	☆	☆	☆	★
7.4.3 verification	☆	☆	★	☆	☆	☆
7.5 production and service provision						
7.5.1 control	☆	☆	☆	★	☆	☆
7.5.2 process validation	☆	☆	☆	★	☆	☆
7.5.3 identification and traceability	☆	☆	★	☆	☆	☆
7.5.4 customer property	☆	★	☆	☆	☆	☆
7.5.5preservation of product	☆	☆	☆	☆	★	★
7.6 equipment control	☆	☆	★	☆	☆	☆
8.0 measurement ,analysis and improvement						
8.1 general rule	★					
8.2 monitoring and measurement						
8.2.1 customer satisfaction	☆	★	☆	☆	☆	☆
8.2.2 internal check	☆	★	☆	☆	☆	☆
8.2.3 monitoring and measurement of process	☆	★	★	☆	☆	☆
8.2.4 monitoring and measurement of products	☆	☆	★	☆	☆	☆
8.3 nonconforming product control	☆	☆	★	☆	☆	☆
8.4 data analysis	☆	☆	★	☆	☆	☆
8.5.1 continuous improvement	☆	☆	★	☆	☆	☆
8.5.2 corrective action	☆	★	★	☆	☆	☆
8.5.3 precaution	☆	★	★	☆	☆	☆

Note：★competent authorities ☆ relevant departments

0.5.1 This manual is completed according to the ISO9001:2008 standard and combine with the actual situation of our company.Our company's quality policy and systems as well as the quality responsibilities of different department are illustrated systematically, which is the basic rules and action guidelines that we must followed. All staff should study it hard, master and implement the relevant provision of the manual, implement the relevant quality system procedures strictly, and try our best to do the job.

0.5.2 Effect: This quality manual will become effective from the date of implementation.

0.5.3 Version/Revision status：A/0

0.5.3.1 The manual in the same version can be divided into two type including controlled and non-controlled. The cover of the controlled type will stamp controlled chapter and all the manual that send to internal should be the controlled type.

A The Controlled type is distributed according to the controlled number, the holder must revise or change timely according to the requirements of the revision notice in order to maintain the manual's effectiveness and consistency.

B The non-controlled type is distributed to external with the registration ,but the revision notifications will not be delivered.

0.5.4 Distribution：

0.5.4.1 Distributing scope: This manual is sent to the department heads and the relevant person and be approved by the management representative.

0.5.4.2 Distributing procedures: The department and individuals that receiving the manual need to be registered and signed.

0.5.5 Modification

0.5.5.1 The modification of the manual to be proposed by the management representative and ask for approval from the general manager ,finally be adjusted by the office worker.

0.5.5.2 When you encounter the following circumstances, we will revise the quality manual:

- Quality functional organization in the company have a great fluctuation
- The improvement for the system structure is put forwarded during the management reviewing.
- The manual has the significant errors or vague provisions
- The related standard, laws or regulations has been greatly modified.
- Corrective or preventive action or other reasons generated to revise the quality manual.

0.5.5.3 The new revision should be approved by the general manager and make a statement in the decree to repeal the old version when new version is released.

0.5.6 The responsibilities of the holders

0.5.6.1 Learn, master and implement the provisions and requirements of the manual;

0.5.6.2 Keep the page clean, integral and legible;

0.5.6.3 The manual should be properly preserved, not allowed to reproduce and send to others privately without permission.

1.1 General

The "Quality Manual" set the content and requirements of the quality management system in line with our company according to GB / T19001-2008 quality management system requirements.

a） It demonstrate the company has the ability to provide products stably that meets customer’s requirements and be applicable with the laws and regulations;

b） Through the effective implementation of the quality management system and the processes for continual improvement, it ensure the products to meet the legal and regulatory requirements and improve customer’s satisfaction；

c） The “Quality Manual” is applicable to all departments covered by the quality management and introducing quality management to external. It can prove our company's quality management system meet the standard of GB / T19001-2008 “quality management system .

1.2 Applicable product range

Be applicable to the manufacturing and service of pump parts, castings, machinery parts by our company.

1.3 Deletion explanation

The company adopted the ISO9001: 2008 quality management system standard. We delete the term 7.3 for we have no designing and development process.

2．Reference Standard

GB/T19001-2008”Quality Management System Requirements”

GB/T19000-2008”Quality Management System Foundation and Terms”

3．Terms and Definitions

The manual adopt terms and definitions in the “GB / T19000-2008 Quality management systems - Fundamentals Terms” and the “GB/T19001-2008Quality management systems requirements”.

4.1 General requirements

Management representative is authorized by the general manager to establish the documented quality management system ,and to implement, maintain and continually improve its effectiveness according to the "GB/T 19001-2008 idt ISO 9001:2008". The Management representative plan for the following about the quality management system:

a) Identify systematically the required process of the quality management system and their application in the company, as shown in Figure 1：

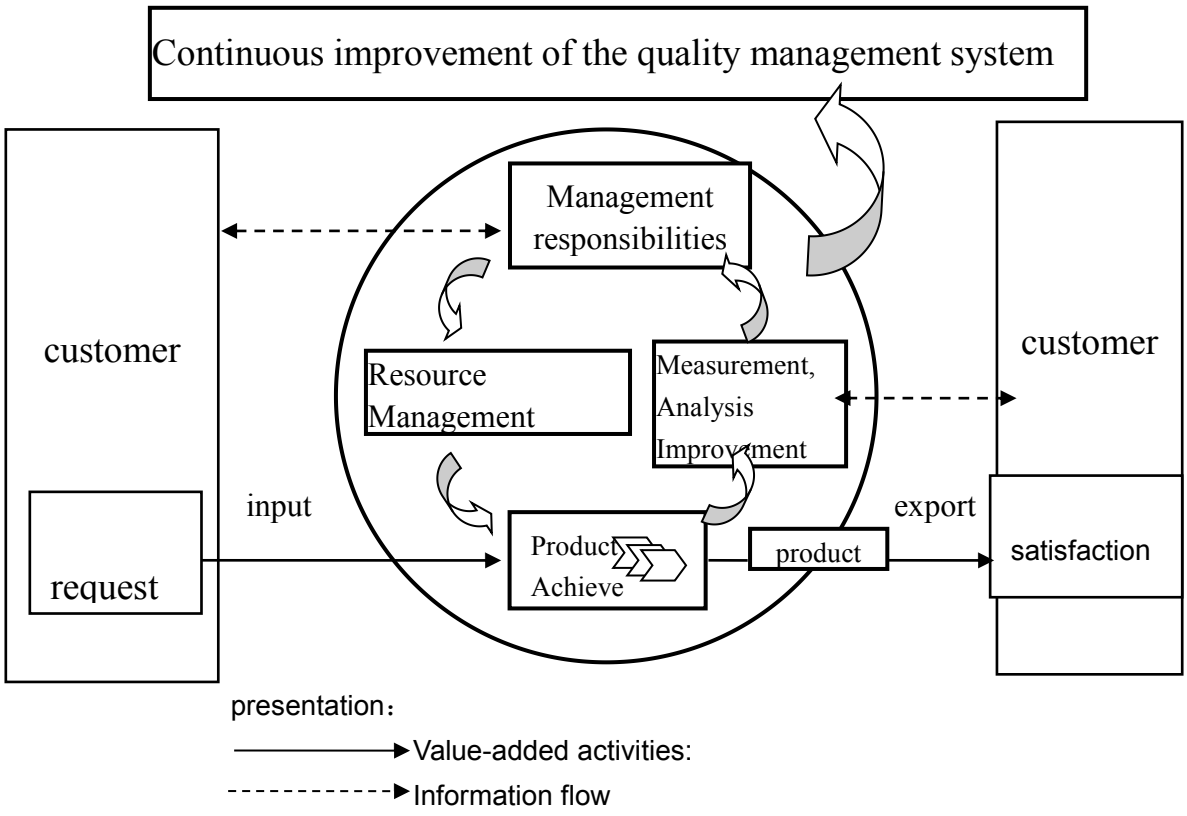


Figure 1 Process-based quality management system model

Four processes required for the company's quality management system： Management responsibility →Resource Management →product realization → measurement, analysis and improvement，they are described in chapter5,6,7,8 in this manual, which reflecting the PDCA continuous improvement ideas.

Management responsibilities can be divided into: principle objectives management, quality management system planning, division of responsibility and authority, information communication, management review and other sub-processes.

Resource management process can be divided into: human resources, infrastructure, work environment configuration and management and other sub-processes.

Product realization process can be divided into: realize product planning →customer requirements and assessment →Purchasing → (outsourcing) production→ product delivery →services etc.

Measurement, analysis and improvement processes can be divided into: customer satisfaction measurement, internal audit, monitoring and measuring of processes, monitoring and measurement of products, control of unqualified product, data analysis, corrective measure, preventive measures etc.

Support process are: identification and traceability control, customer property control, product protection, monitoring and measuring equipment control, document control, records control.

b) The sequence was made in 4.1.a), their interactions (including inputs, outputs, activities) are described in the manual or the relevant program file.

c) Make the necessary system files (manual, procedures, other files) to make sure criteria and methods to ensure the effective operation and control of these processes.

d) Through resource management and information communication process to make sure get the necessary resources and information to support the effective operation and monitor and control these processes;

Through the customer satisfaction monitoring, system audit, monitoring and measurement, management review to monitor, measure and analyze the effect of the implementation.

f) According to the monitoring, measurement and analysis results to implement the necessary corrective and preventive measures to achieve results and continual improvement of these processes.

Management representative manage these processes through the implement of the quality management system according to the ISO 9001:2008.

g) The company include the outsourcing process (such as: outsourcing manufacturing, calibration of monitoring and measuring equipment, etc.) that may have impact on the products in the control range, to determine the content and methods of their control. The company's outsourced processes include: Acid phosphate of products, monitoring and measuring of the equipment.

4.2 Documentation requirements

4.2.1 General requirements

The company’s quality management system documentation including:

a) Quality policy and quality objectives

b) Quality manual

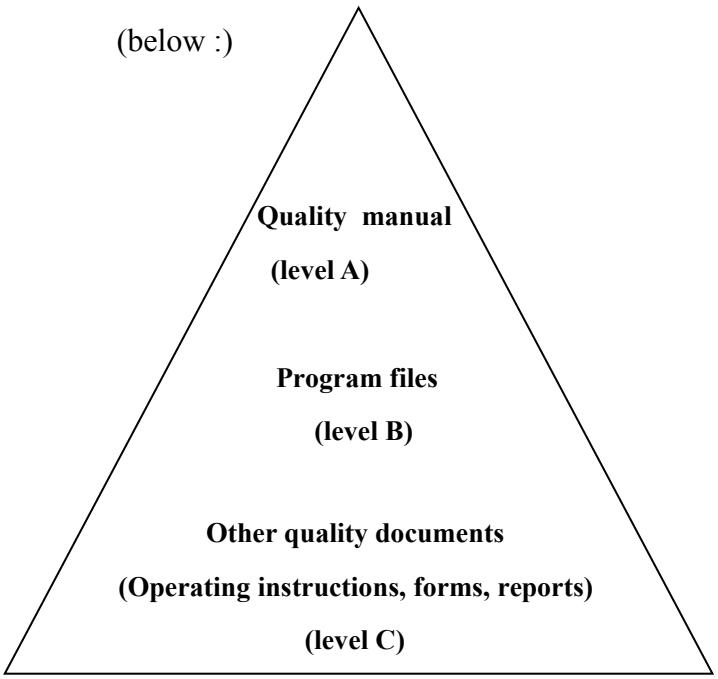
c) Procedure of document forming according to GB/T19001:2008

d) In order to ensure that effective planning, operation and control the other documents (such as other program documents, quality plans, technical standards, test specifications, technical requirements, work instructions, work requirements, management systems, etc.)

e) The quality record according to GB/T19001:200.

The document can be adopted by any types :media, such as paper, disks, photographs, film and so on.

The company's quality management system documentation consists of three levels of files (below :)



file contents

Quality management system's process and interaction of description, quality policy and objectives

Procedure of Document forming and contents, methods, procedure, and requirements

Detailed work files (including record forms)

Quality management system document structure and relationships

4.2.2 Quality manual

The management representative is responsible for the company's quality manual, organize the relevant departments to participate and develop it according to the ISO9001: 2008 standard, to be issued after getting the approval of general manager.

Quality manual's content include：

a) Quality policy and target:

b) Organization structure and departments functions

c) Scope of the quality management system, specific content and reason about ISO9001: 2008 standard's deletion.

d) General description or reference about the procedure document of quality management system

e) Description of the quality management system and their mutual relations

f) Relevant provisions of the quality manual control and management and so on.

4.2.3 Documents control

The Company will authorize “document control procedures”to control the required documents that related with the quality management system, including the appropriate external files such as relevant laws and regulations and product standards. We will make sure:

a) Document signed by the authorized person before issuing to ensure that their content is adequate, accurate and appropriate;

b) Management representative review existing system file annual and need to revise it due to review questions or other reasons, also need to be approved before issuing again.

c) Office worker work out the controlled documents list, record name, number, edition, the executing date, in order to identify the revision status.

d) Office workers distribute documents according to the range of controlled documents to ensure the related departments can receive valid versions of relevant documents

e) Departments / staff should focus, classify and storage the documents (including the quality recording) and marked clearly ,make it easy to identify and retrieval.

f) Ensure the applicable external documents are confirmed before using, and distribute according to the prescriptive range.

g) All failed / obsolete documents are evacuated or stamped with a red "invalid" seal to be preserved to prevent non-anticipated use.

4.2.4 Quality record control

The company will work out the “quality records control procedure” to make provision for the recording, storage, retrieval, protection and retention time.It will keep the records clear, easy to identify and retrievable.The products meet the prescriptive requirements and quality management system,it will save the necessary records and provide the objective evidence for the effective operation.

4.3 Relevant documents

4.3.1 Document control procedures

4.3.2 Quality records control procedures

5.1 Management commitment

In order to make the quality management system establish effectively and obtain the continuous improvement, the general manager take the following measures and form the corresponding evidence：

a)Through training or propaganda, make all staff know the importance of understanding the needs of customers and the requirement of laws and regulations.

b)Formulate and publish the quality policy and quality objectives, monitor and measure goals regularly, to ensure the realization of the quality policy and quality objectives.

c)Have a management review meeting to review the quality management system suitability, adequacy and effectiveness.

d)Through the creation of the configuration of infrastructure and environment, personnel training and make sure each activity get the appropriate resources .

5.2 Customers focus

In order to ensure the customer's needs and expectations are established and satisfy, the general manager take the following measures

a) Make the "customer satisfaction" as the content of quality policy (see "5.3 quality policy") , and ask all the staff understand and implement it.

b)Clear customer needs and expectations, to ensure that meet customer needs and expectations

c)In the main steps of the product realization process, pay attention to the requirement of laws, regulations and customer feedback and handle with it. In the process of proving products and services, improve the process and system continuously.

d)To evaluate the provide products regularly , to evaluate and improve the products according to customers' satisfaction.

5.3 Quality policy

Company quality policy is:

Honesty management, fulfill the quality standards, meet customer requirements, pursuit the excellence performance.

In order to implement the quality policy, the general management take the following measures：

a）Through the management review, check the realizing condition of the quality policy's sustainability and suitability (according to the requirement of the "management review control procedures") .

b） According to the quality policy, formulate the company quality goals, and through management review to check the realize condition of quality objective.

c）Through the quality meeting and other methods, to make staff improve the awareness, understanding and communication.of quality policy.

d）The quality policy shall be formulate and modify by the general manager.

5.4 Planning

5.4.1Quality objectives

The company set up the general quality objectives, adapt to the company's quality policy. The relevant functional departments should to deal with the total target decomposition, set up department quality objectives which is measurable and can reflect the company's quality requirements, including the contents to meet product requirements.

The company quality objective is:

Product qualified rate is no less than 98% at one time

Customer satisfaction is not lower than 96% and increase in 0.5% every year in the following three years.

Each departments of quality objective is:

a) Office

System documents and records control rate was 100%;Training qualified rate 100%;

Contract execution rate is 100%;The customer opinion should be replied within 24 hours.

Once per year to determine customer satisfaction, customer satisfaction is not lower than 96%.

b) Finance department:

Main raw material should be passed 100% percent and the supplier be reviewed once a year.

d) Production department

The qualified rate of the products is 98%;Equipment intact rate is 95%.

The safe operating procedures and technical files mating 100%.

e) Quality department

Inspection accuracy is 100%； Regular appraisal of the monitoring and measuring equipment rate is 100%.

5.4.2 Quality management system planning

According to the requirement of the quality policy and objectives, the general manager recognize and plan the activities and resources , including:

a）The process of quality management system, mainly reflect by the quality management system documents (including the deletion).

b）The company provide and meet the need of resources in order to the implementation of quality policies and objectives .

c） The continuous improvement of the quality management system is carried on according to the requirement of “ Internal audit control procedures”, ”management review control procedures”, “The corrective and preventive measures to control procedures ” .

d）The process of company quality management system (Chapter 4.1)

5.5 Responsibility, authority and communication

5.5.1 Responsibility and authorit

General manager shall set up the corresponding organization according to the effective operation of quality policy, quality objectives and quality management system , formulate and communicate for all departments related to the quality management system operation and post responsibilities and authorities and mutual relations ,make the departments and relevant personnel within the company clear their own responsibilities, to promote the effectiveness of the quality management system.

Each Departments quality responsibility :

General manager

- Responsible for the quality management system planning, determine the quality policy, quality objectives;
- Responsible for the file release and management review；
- Responsible for the organization and department responsibilities；
- Be responsible for the identifying and providing of the resources needed；
- Responsible for the appointing of management representative by writing and give the corresponding responsibility and authority；
- Responsible for the examination and approval of the contract；
- Responsible for the examination and approval of supplier’s evaluation；
- Responsible for the quality manual and the approval of the version’s changing ；
- Responsible for the determination of entry requirements in a department, approval of the training plan；
- Fully responsible for the company's products and services quality；
- Other quality related with the management work

Management representative

Management representative ‘s responsibility can be seen on “The appointment books”.

Office

- Responsible for the control and management of documents and materials；

- Responsible for the control and management of quality records；
- Responsible for organizing and coordinating management review；
- Responsible for organizing the formulation of the quality manual, program files, etc.,periodic review of the existing system documents；
- Responsible for annual internal quality system audit plan；
- Responsible for personnel selection and arrangement, formulate the corresponding working entry requirements；
- Responsible for training plan formulation, implementation and evaluation；
- Responsible for the assistance of the execution and tracking， verification of the corrective and preventive, improvement measures ；
- Responsible for market researching and development of the company；
- Responsible for product requirements to identify and review, do the sales and service and make sure the products can be provided on time with the good quality.
- Responsible for communicating with customers, and handle with the customer’s feedback information in time；
- Responsible for the organization of customer satisfaction survey.

Quality department

- Responsible for the inspection and testing of products；
- Responsible for the formulation and implementation of inspection and testing procedures；
- Responsible for the inspection status identification, and to monitor its effectiveness；
- Responsible for the determination of nonconforming product and organize relevant departments to deal with nonconforming product, and track it；
- Responsible for product quality problem, formulate corresponding corrective and preventive and improvement measures, and track it ；

- Responsible for the selection of statistical techniques, and to control the implementation and effects。
- Responsible for the controlling of monitoring and measuring equipment and management and the track of the deviation from the calibration status .

Financial department

- Responsible for the organization to the supplier selection and evaluation, to establish a qualified supplier list and files；
- Responsible for contacting with the supplier, participating in the solution of a controversial issue；
- Collect purchasing information and implement the purchasing activity；
- Responsible for the monitoring of the purchased materials' situation and tracking the arrival of the goods.

Warehouse

- Responsible for the formalities of the warehouse and the regularly inventory；
- Responsible for identification and protection of the materials in the warehouse；
- Responsible for product packaging protection, choosing and use appropriate handling tools and method.

Product department

- Responsible for the determination and control of the production process and determination of all kinds of product standards；
- Responsible for formulating of the corresponding technical process and technical documents, and inspection on the implementation of process supervision；
- Responsible for formulating of the operating rules for all kinds of production equipment or the production process , and inspecting,supervising on the safety operation situation；
-

- Responsible for making the purchasing plan and production plan and arranging production；
- Responsible for the controlling and management of production equipment；
- Responsible for the controlling of production and process , process measurement and monitoring；
- Responsible for the defining of the key process and special process and its controlling；

- Responsible for ensuring the site infrastructure and work environment is good.

Workshop

- Responsible for the implementation of the production according to the production plan；
- Responsible for the maintenance of production equipment；
- Responsible for the mark of the products and the locating and mark maintain of the products with different inspecting condition;
- Responsible for reworking and repairing for the nonconforming products.

5.5.2 Management representative

a) General manager appoint a management representative and give the power of directing feedback to the general manager.The representative also have the responsibility and authority of the following areas at the same time：

b) Make sure that the forming ,implementing and maintaining about the quality management system in according with the ISO9001:2008 standard requirements and the company actual situation ;

b) Report the situation and the improvement about the quality management system to the general manager.

c) To promote all staff in the company form the consciousness of customer requirements；

d) Responsible for the communicating with the external for the issues related with the quality management system.

Management representative should pay close attention to customer information, communicate actively with the general manager, internal staff and external parties to get more information on all aspects of customer requirements, collect, analyze and summary it , and report to the general manager or send to other departments, promote the formation of the consciousness of customer requirements.

5.5.3 Internal communication

General manager must ensure that the quality requirement,objective and completing information can be communicated among different departments, different jobs.The management representative can organize the implementation with the assistance from the office , to provide appropriate communication tools,such as meeting, notice or all kinds of records, etc. To promote internal communication.

5.6 Management review

5.6.1 Management review plan

The company set up the annual management review plan, and the general manager carry out the management review according to the plan, to evaluate that if the system need change(including the quality policy and objectives) , to ensure the continuing suitability, adequacy and effectiveness and efficiency of the management system.

5.6.2 Management review input

The content of the management review generally include：

a) The results of verifying the quality management system (including the first, second and third party verifying)；

b) Customer complaint handling, customer satisfaction measurement results and important information feedback；

c) The process of the major quality accident handling and product quality trend ；

d) The relevant information of the quality policy, objectives and corrective,preventive and improvement measures；

e)The implementation situation about the tracking measures which is made by the previous management review ；

f) May affect the change of the quality management system (such as the change of laws and regulations, etc.)；

g) Suggestions to improve, etc

5.6.3 Output of the management review

The output of management review should to reflect the results of analysis and evaluation on the management review input, generally includes：

a) The process of quality management system and for the the corresponding file if there is a need to revise；

b) Whether the quality policy and objectives achieved and need to be updated；

c) Whether it need the verifying and modifying of the process and products；

d) Manage all kinds of activities and equipped with the resources suitability；

e) The evaluation for the suitability, adequacy and effectiveness of the system.

Management representative summarize the content of the management review and write a report approved by the general manager after the issuance of related departments and take the corresponding measures, and track the implementation and effectiveness of the measures.

5.7 Relevant document

“Management review control procedures”

“Communication and data analysis, management regulations”

6.1 Provision of resources

Allocate the appropriate resources according to the requirements of the quality management system , including establishing quality management system, set the corresponding post, equipped with the appropriate personnel, equipment and provide a suitable working environment, in order to implement and improve the processes of the quality management system, and to achieve customer satisfaction.

6.2 Human Resources

6.21 The General

In order to ensure the employees at all levels have the ability to undertake the responsibilities set by the quality management system, human resources should check the ability from the aspects of education, training, skills and experience, as a basis for the promotion or demotion, transfer processing. If workers' ability can not meet the requirements, the worker should be strengthen the training or be fired.

6.2.2 Competence, Training and Awareness

a）Staff recruitment and promotion must meet the basic requirements of job skills。

b）Staff skill training by the office shall be carried out in accordance with the "human resources management regulations" requirement.

c）The head of office and the departments are responsible for the evaluation of each employee's competence once a year, and to develop appropriate training plans when necessary.

d) In addition to the professional skills, the content of the employee training also includes making employees aware of the relevance and importance of work.

e）Office is responsible for collecting, sorting, cataloging the archive, storage of training and examination records, and dealing expired records.

6.3 Facilities

Production department improve the infrastructure management according "Infrastructure regulations".

The company offers excellent facilities for employees, including:

a) the corresponding production, testing tools and equipment;

b) good offices and communications, transport conditions;

c) the necessary computer equipment and relevant software, as well as national standards, industry standards and other tools books.

6.4 Work Environment

The company provides qualified work environment for the realization of the production and service process, improve civilized production, to meet customer requirements and regulatory requirements.

6.5 Relevant Documents

"Human resources management regulations"

"Infrastructure management regulations”

7.1 Planning of product realization

The production department is responsible for the organization to plan for the products realization and sub process sequence and the relationship, put key consideration on production and service process. This plan must be in consist with other requirements of company's quality management system (such as the management responsibility, resource management requirements), and must form a document in a suitable way for the company operation. According to the planning results, the production department organize the compilation of the relevant quality plan when it is necessary , and identify the following applicable content:

a) product, project or contract should achieve quality objectives and technical requirements;

b) the process for a specific product and sub-processes required to build;

c) the stage of the implementation process, the officer's duties, powers, with the necessary resources;

d) process should be adopted, specific procedures, methods and work instructions;

e) specific test, test methods and monitoring methods and corresponding acceptance criteria;

f) Quality records to prove process and products conformity.

g) Other measures and methods to achieve quality targets taken and so on.

7.2 Customer-related processes

7.2.1 The determination of product requirements

The office is responsible for determining customer’s expressed and identify potential requirements, including the implicit and clearly requirements, must fulfilled obligations related to the product, relevant quality laws and regulations, the standard’s requirements of the country and industry , the applicability of the product. As well as customers' reliability for products, transporting and supporting services, for their own health, safety and environmental requirements. All of the above contents shall be recorded .

7.2.2 Review of product requirements

The office is responsible for the evaluation of product requirements, organize company's relevant departments for the view of identified customer requirements and the company determined

additional requirements when necessary.

b) Contract's review should be conducted before submission of the tender or contracting, to ensure customer's requirements is reasonable, clear and written, the two sides coordinated each other and our company has the ability to meet it; in the coordination process, change matters and the resolving situation shall be recorded;

c) After the review of the contract, signed by the authorized person in charge of the office, the corresponding information timely and accurately transmitted to the relevant departments.The office worker is responsible for expediting and recording the implementation of the contract, and feedback to customers according to the need.

d)Any amendment to the terms of the contract, it shall solicit opinions from the original audit department and customer, and the changed information shall be timely transformed to the company and customer's related units and personnel.

e) when the revision of the contract relating to the product requirements changes, relevant documents shall ensure to get the change.

7.2.3 Communication with customers

a) Transferring of the product information (pre-sale)

The company will take appropriate way to introduce our company's products to customers, provide the relevant data and information;

b) Inquiries and consulting (sale)

For customer’s letters, phone calls, faxes and other forms of inquiries and consulting(including implementation and revision of the contract) ,the office worker should give timely and accurate answers and records

c) Customer’s feedback and complaints (after sale)

All departments obtain information about the customer feedback or complaints, handle it respectively according to the "process customer-related regulations" or "corrective and preventive measures to control procedures" .

7.4 Purchasing

7.4.1Purchasing Process

Financial department evaluate and select the product suppliers whose material is responsible for part or full quality of products. The qualified supplier should be the supplying source to ensure that products meet the requirements. The evaluation of qualified suppliers take a different way to judge according to the procurement of goods (A: important goods; B: general goods; C: Auxiliary goods) ,the qualified supplier will be listed ;

Financial department evaluate the qualified supplier regularly.The quality department is responsible for the establishment and the record of supplier’s quality status, and transmit the information to relevant department timely. Financial department should evaluate on supplier performance at least once a year(considering the quality, delivery, service, price and other factors). According to the evaluation results take corresponding measures to supplier, in order to strengthen the control and cooperation.

7.4.2 Purchasing Information

According to production needs, financial department purchase goods with standards which is made by production department.It can sign the corresponding agreement when purchase from the qualified supplier in the first time, clear the quality requirements, technical standards, acceptance conditions, default responsibilities and other related content, and the supplier's quality management system, the organization, procedures, process and resources other aspects of the request. When necessary, provide the corresponding technical standards or drawings as accessories; specific procurement operations performed by the procurement staff. Procurement

information should mark the name of product, specifications, quantity, delivery time and be implemented after approval by the authorized person.

7.4.3 Verification of purchased product

The verification of purchased should be done by the quality department according to "inspection specification".When the customer or company evaluate the products at the supplier's premises, shall explain the specific matters of verification and product release of the way in related profile.

7.4.4 The procurement process details, see "Procurement regulations."

7.5 Supplying of production and services

7.5.1 Control of production and service provision

The production department mainly control the process of production and service through the following aspects.

a) Through the existing product technical features requirements or customer required evaluation results, determine the characteristics and technical requirement of the related products;

b) In order to ensure the quality of production and service, compile and implement the work instructions and production process;

c) Equipped with proper equipment for production and the normal development, and maintaining it when necessary.

d) According to the measurement task, be equipped and use appropriate monitoring and measuring devices.

e) Appropriate monitoring and measure for product process and product characteristics；

f) Product release method, delivery conditions, methods and related procedures, how to carry out the relevant service after the delivery.

For details see "production and service processes management regulations".

7.5.2 Confirmation of production and service process

When the production and service provision output cannot be verified by subsequent monitoring or measurement, production department should confirm the special process. This process includes the problems appearing after the product or the service has been delivered. The company confirm the special procedure for painting process. Confirm the painting process to achieve planned results.

Application includes:

a ） Control of the spray paint process, main control parameters and influence factors of parameter fluctuations;

b）Recognize on the using, measuring and monitoring of the equipment, to ensure that meet the using requirements, the operator must go through technical training and qualification required by position;

c）Pursuant to the features of the technical documentation requirements, analyze the process and determine the scope of the special process, according to the “special procedure Confirmation Form" to confirm the implementation of the requirements, and as the review and approval criteria. The preparation of the painting process documents, process parameter control requirements, continuous

monitoring of process parameters;

d）The using of craft materials and the processed products should be strictly controlled;

e）Do the actual recording of controlled parameters;

f ） when come across the changing of material and process parameter , updating of equipment etc, confirm the process again.

7.5.3 Identification and traceability

For the purchased products, semi-finished products and finished products, indicate the products’ name and specifications with the product label, quality records, packaging and other methods to avoid the confusion. Use the products such as labels, signs, regional division, inspection records and special devices to determine the products’ inspection status ， "tested"

and "qualified" and "not qualified";

According to the requirements of customers, relevant laws and regulations and the factors such as product safety, and consider the company's own traceability needs, the quality department determine the specific content of product traceability and methods, such as departments, record, uniquely identified matters. For details, see "Identification and traceability regulations".

7.5.4 Customer property

The Company has no customer property.

7.5.5 Product Protection

Purchased products, semi-finished and finished products process in the internal , and when the products are delivered to the intended destination ,the company should provide protection for the conformity of product, including identification, handling, packaging, storage and protection method for control, details see "Product protection regulations."

7.6 Control of monitoring and measuring devices

According to the requirement of the measurement task, select the suitable equipment that has the required accuracy and precision of monitoring and measuring, including the process parameters monitoring instrument;

a) The quality department is responsible for the establishment of monitoring and measuring equipment account, send the monitoring equipment to relevant units or self calibration, make clear identification of the calibration status, and save the records. When need self calibration, set the calibration process rules, period, method, acceptance criteria and measures when problems appeared;

b) All monitoring and measuring equipment can be used after calibrating , and during the using ,make sure it is in the validity period of calibration, and ensure the consistent with the measurement capacity requirements

c) when use monitoring and measuring equipment, prevent calibration failure due to improper

adjustment;

d) Make sure the monitoring and measuring equipment are used or calibrate in an appropriate environment, in order to ensure the effectiveness of monitoring or calibration results;；

e) Make daily maintenance of monitoring and measuring equipment, to ensure the intact of the accuracy and applicability during the handling, preservation and storage;

f) When found the monitoring and measuring devices off calibration status, quality department should assess effectiveness of the inspection and test results,determine the scope need to re-monitoring and inspect again, or take other appropriate measures and track the execution result；

g)For the software used in monitoring and measuring, the quality department should determine and keep relevant records before using; the details of monitoring and measuring equipment control see "monitoring and measuring equipment management regulation".

7.7 Related Documents

Customer-related processes and regulations

Procurement regulations

Production and service delivery process regulations

Identification and traceability regulations

Customers provide property management regulations

Product protection regulations

Monitoring and measuring equipment management regulations

8.2 Monitoring and Measurement

8.2.1 Customer Satisfaction

a) The office is in charge of consulting and monitoring the information of customer satisfaction by the proper methods and measures, as a measurement for the quality management system performance.

b) In the end of each year, the office regularly surveys the satisfaction of customer for this company's product quality, price, delivery, service, etc, by sending questionnaire to the important customers or by calling, and collects the relevant comments and suggestions. The office can also obtain the information of customer satisfaction by customer complaints, daily communication with the customers, the related information feedback, etc.

c) The office is responsible for sorting out the relevant information, understanding the degree of the company's products or service to meet the customers needs and expectations, analyzing the change trends based on customers' needs and expectations as well as the direction of improving, and feeding back to the relevant departments to take corresponding corrective and preventive or improvements measures.

d) With regard to the customer satisfaction survey process and data processing details, check "Customer Satisfaction Survey Regulations".

8.2.2 Internal Audit

Management representative should formulate an internal audit plan, and audit the Quality Management System every 12 months, the audit is to mainly to confirm:

a) Conform to the relevant planning arrangements and ISO9001: 2008 standard requirements, as well as the company's quality management system requirements.

b) Implementing and maintaining as required.

The audit plan should stipulate the purpose ,scope and criteria and refer to the result of previous audits, as well as the importance of departments and the auditing process, takes different audit measures.

To ensure the objectivity and impartiality of audit content, the auditors should not audit the work related with them ; Audit plan, records of audit process and the report of audit result should be maintained according to the “Quality Record Control Procedures”.

For unqualified appearance in audit process, the relevant departments should take necessary measures to eliminate the unqualified and the root, and follow up the results of the implementing of the measures.

Regard to the audit details of internal quality management system, check the” Internal Quality Management system Audit Control Procedures”.

8.2.3 Monitoring and Measurement for Process

The company takes appropriate methods to monitor and measure the product realization process, especially the quality management system process and the operation process of production and service according to its importance and influence to meet customer requirements.

The quality department must adopt appropriate methods to monitor and measure the production and service process, and confirm the ability to meet the expected results in every links continuously .

According to the characteristics of each process and its impact on the entire production and service process, we will adopt the appropriate statistical analysis methods to monitor and measure the process. And then according to the result of monitoring, we will adopt the corresponding corrective measures, implementation and verification for the abnormal process.

8.2.4 Monitoring and Measurement for Product

a) According to actual needs, the quality department will work out the inspection specifications as the basis for product monitoring and measurement.

b) According to the requirements of corresponding inspection specifications and documents, the inspectors will inspect the purchasing l, process and final product, and respectively verify whether the raw material, semi-finished products and finished products can meet the

requirements of the regulations or not, and record the inspection results.

c) Inspection records should be correspondence with the prescribed inspection items, supply the inspection and judgments results, and signed and stamped by the authorized inspectors.

d) Only the inspection items specified in the inspection specification and the corresponding files have been successfully completed, the results are qualified, and approved by authorized inspectors, the products can be delivered. Otherwise, obtaining the authorization written by the customers.

Regard to the details of monitoring and measurement, please check the" Inspection Specification".

8.3 Control for unqualified product

a) For the unqualified products founded through the operator self-inspection, the customer returning and inspector confirmation, the workshop needs to cooperate with inspectors to isolate or identify them, to prevent unintended using or delivering .

b) The treatment of different kinds of unqualified product in this company mainly includes: reject returned, choose to use, rework, repair, degrade, scrap, concession receiving, etc, identified by authorized officer in inspection documents or unqualified product handling form.

c) After the unqualified products reworked or repaired, they must be re-inspected according to the original inspection specification, and the result of inspection must be recorded.

d) When found the unquality products after delivering or after using ,the quality department should take appropriate corrective or preventive measures, such as free replacement, repair, etc. If necessary, the office need to communicate with the customer for the treatment methods to meet the customers' legitimate demands.

e) When the product does not conform to the specified requirements, but not affect the using , it can be handled concession to receive. If there is a requirement in the contract, the concessions need to be confirmed by the customers; Or the concessions need to be noted in product itself or accompanying information and documents to express to the stakeholders.

8.4 Data Analysis

To confirm the suitability and effectiveness of the Quality Management System operation, the company will timely focus on the records as follows: supplier availability; quality control of the product; sales; customer satisfaction; previous audit report; previous management review report; corrective, preventive and improvement measurements; etc. The relevant department should timely collect, analyze the feedback information from various aspects and transmission, communication in the daily inspection and supervision for the system's operation.

The company will adopt appropriate statistical technique to analyze relevant information and records in order to understand the customer satisfaction, the future needs and expectations, to understand the quality status and trends of supply-side finished, semi-finished and external products and process.

Based on the above data analysis, the company will actively seek the opportunities for system continuous improvement and confirm the aspect which need to be prevented or improved.

8.5 Improvement

8.5.1 Continuous Improvement

The company promotes the continuous improvement of quality management system effectiveness by utilizing quality policy, quality objectives, internal and external audit results, data analysis, preventive and corrective measures, management review, etc.

a) To meet the needs of market competition and to satisfy the customer needs and expectations, the company must constantly improve the quality of products and service and continuously improve the effectiveness and suitability of quality management system.

b) Full participation and to take corrective and preventive measures.

8.5.2 Corrective Measures

The company should adopt the corresponding corrective measures matched with the impact of unqualified products to eliminate the cause of the unqualified and prevent the

unqualified .

Therefore, the company works out the " corrective and preventive measures control Procedure" to specify the following aspects:

a) Review the results of the unqualified products, including customer service.

b) Analyze the cause of unqualified by surveying.

c) Evaluate the demands of measurements that can ensure the unqualified to occur.

d) Confirm and implement the corrective measurements required.

e) Tracking and record the results of corrective measurements.

f) Auditing the effectiveness of corrective measurements adopted

If validated, we may need to form a file or change the file to consolidate the achievements.

8.5.3 Preventive Measurements

The company should confirm the preventive measurements to eliminate the potential cause of the unqualified and prevent the unqualified happen. The preventive measurements should be matched with the impact of potential problems.

For this purpose, the company works out the "Corrective and Preventive Measurements Control Procedure" to specify the following requirements:

a) Confirm the potential unqualified and analyze its reason.

b) Confirm the needs of preventive measurements which can prevent the unqualified occur.

c) Confirm and implement the preventive measures required.

d) Track and record the effectiveness of preventive measures adopted

e) Review the validity of preventive measures.

8.6 Relevant Documents

Customer Satisfaction Survey Regulations

Internal Quality System Audit Control Procedure

Unqualified Products Control Procedure

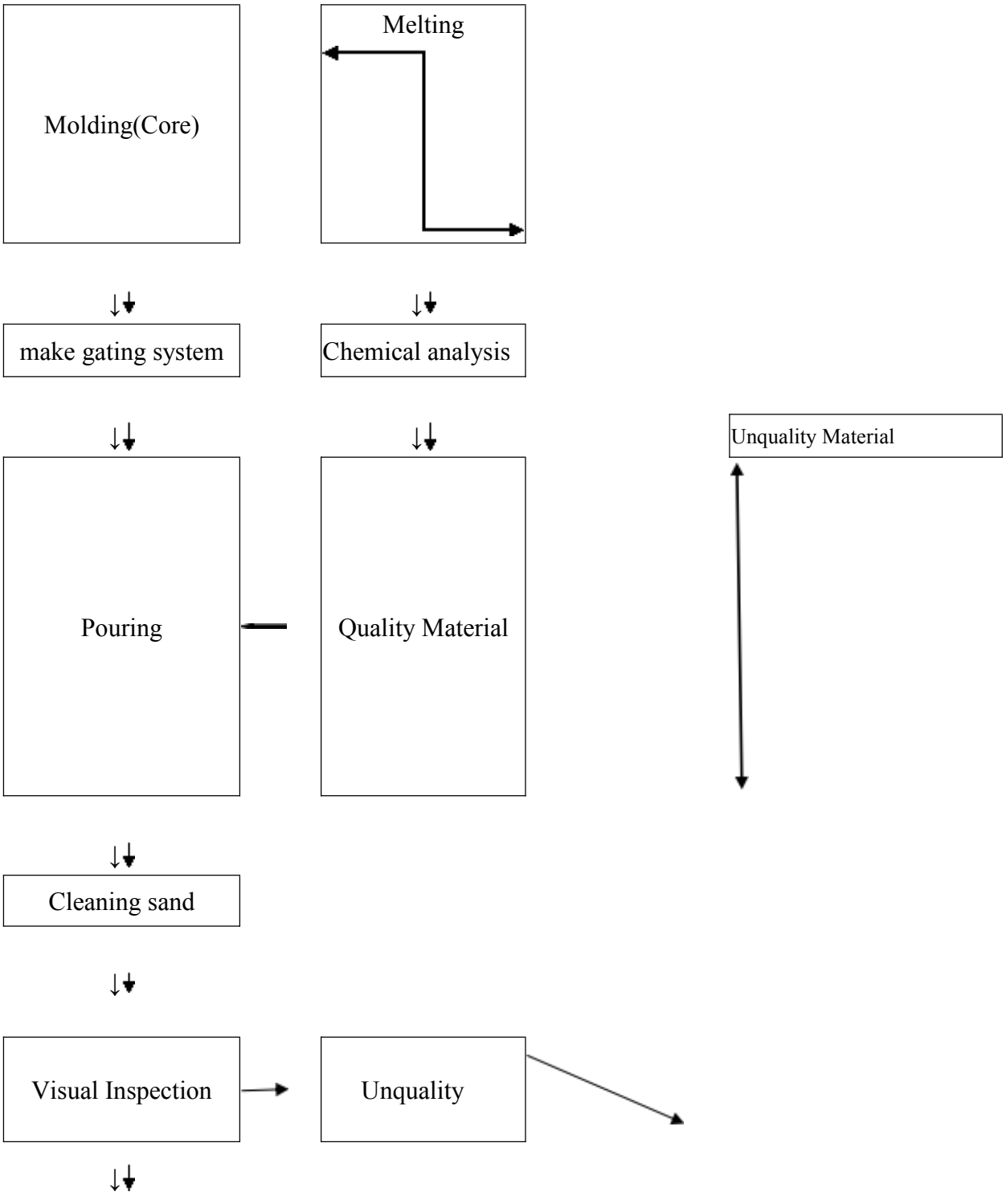
Inspection Specification

Corrective and Preventive Measure Control Procedure

1. Document Control Procedure QD/SC/QP-423-01
2. Quality Record Control Procedure QD/SC/QP-424-02
3. Management Review Control Procedure QD/SC/QP-56-03
4. Internal Audit Control Procedure QD/SC/QP-822-04

5.Unqualified Product Control Procedure QD/SC/QP-83-05

6. Corrective and Preventive Measurement Control Procedure.QD/SC/QP-85-06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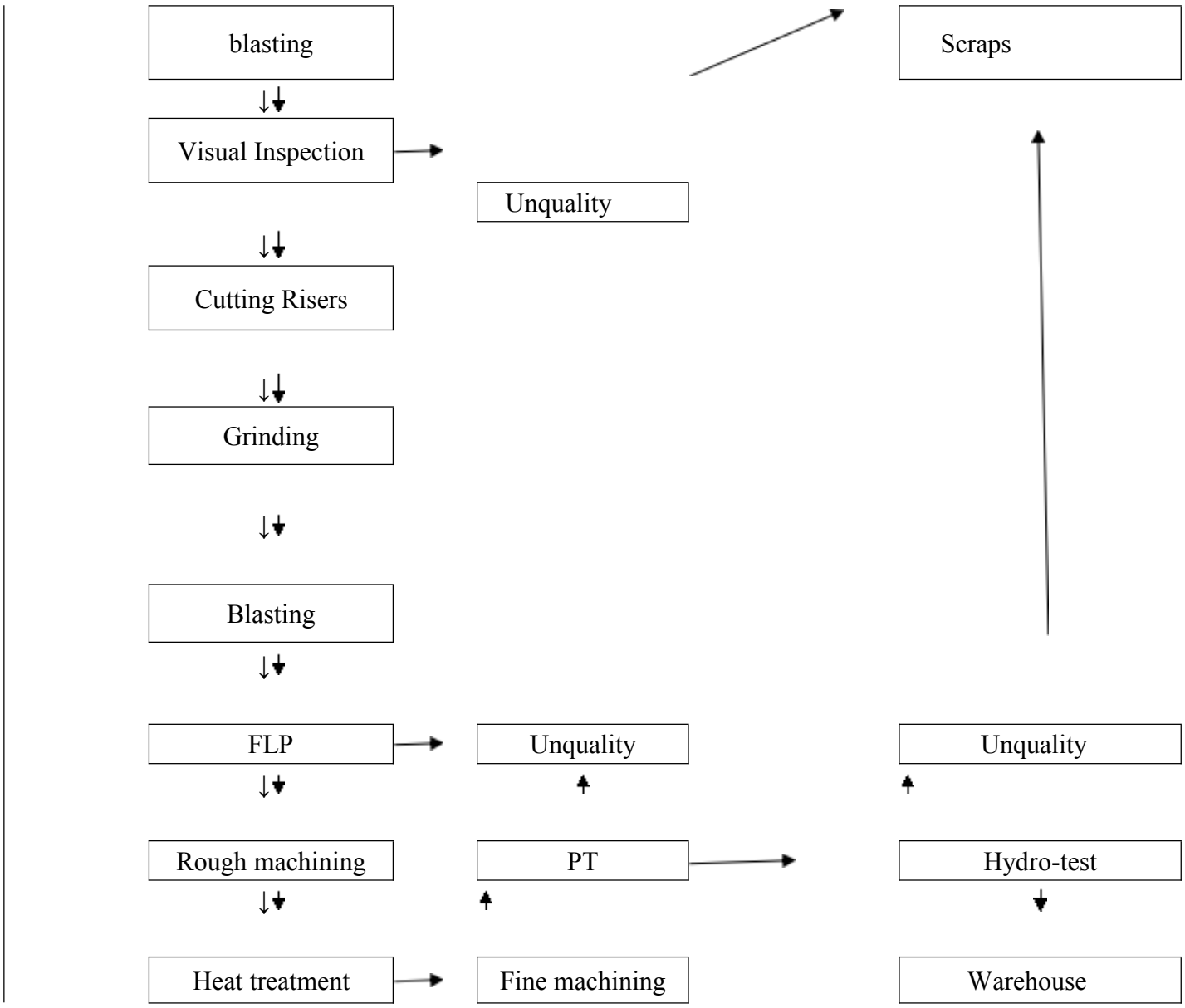
Melting
make gating system
Chemical analysis
Unquality Material
Pouring
Quality Material
Cleaning sand
Visual Inspection
Unquality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Scraps
Visual Inspection
Unquality
Cutting Risers
Grinding
Blasting
FLP
Unquality
Unquality
Rough machining
PT
Hydro-test
Heat treatment
Fine machining
Warehouse