



KH FITTINGS CORPORATION

Casting Machining

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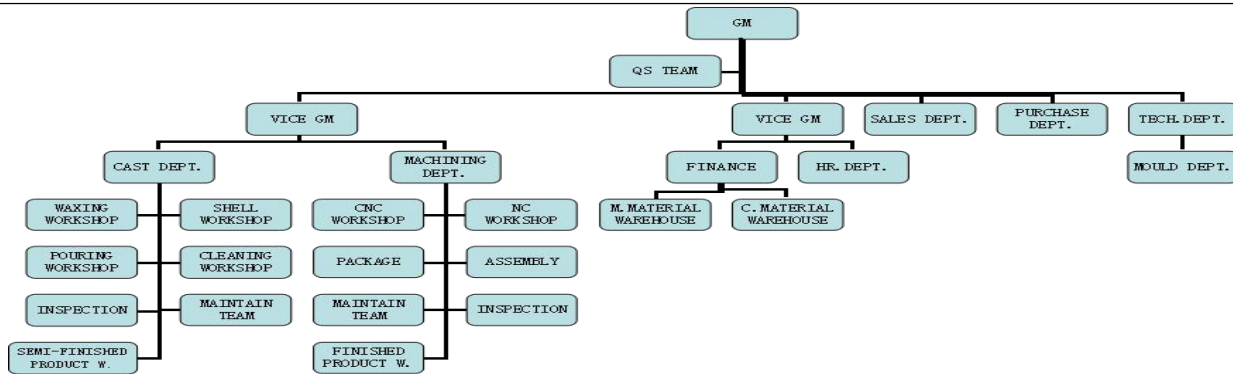
Section 1: Company Overview

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 Numeber:	130900400006358
Year Established:	27/Nov.2002	Validity Period	27/Nov./2002-- 26/Nov.2032
Registered Address:	No.31-A,E.Jiuhe Road,Development Zone of Cangzhou City,Hebei Province,China		
Company Address:	No.31-A,E.Jiuhe Road,Development Zone of Cangzhou City,Hebei Province,China		
Annual review conducted by the Industrial & Commercial Bureau?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Reviewed By:	Cangzhou Industrial & Commercial Bureau
Registered Capital:	USD2,000,000.00		
Corporate Representative:	Mr.Dongqiang Wang		
Industry:	Basic Metal Products and Fabricated Parts		
Business Type:	<input type="checkbox"/> Manufacturer <input type="checkbox"/> Trading company <input checked="" type="checkbox"/> Combined		
Type of Ownership:	Joint Venture		
Products/Service:	Stainless Steel Pipe Fitting,Stainless Steel Valves, Stainless Steel Sanitary fittings,clips,architecture parts,etc.		
1.2 Company Building Information			
Certification Type:ISO9000,TS16949			
Land Certification			
Total Buiding Size:			
Number of Building(s): 5			
Office Size:2			
Casting Factory Picture		Maching Facotry Picture	
			

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		1
Manufacturer Dept.	337		337
Quality Dept.	56		56
Technology Dept.	13		13
Purchase Dept.	3		3
Sales Dept.	11		11
Finance Dept.	4		4
Total Number:	425		425


2.3 Management

Department	Name	Title	Education	Year(s) in Current Company
GM	Mr.Dongqiang Wang	GM	Post graduate	13
Manufacturer Dept.	Mr.Haibin Li	Supervisor	Technical School graduate	6
Quality Dept.	Mr.Anshuo Feng	Supervisor	Technical School graduate	6
Technology Dept.	Mr.Weimin Liang	Supervisor	Technical School graduate	9
Purchase Dept.	Mr.Huanchao Wu	Manager	Senior high school graduate	10
Sales Dept.	Mrs.Kun Liu	Manager	Graduate	7
Finance Dept.	Mr.Shouxiang Wang	Supervisor	Junior college graduate	12

Section 3:Current Export Situation

Current Export Situation

There is/are 11 foreign trading employee(s) in the company.

Working Experience	Headcount	Accepted Language	Listening & Speaking	Reading & Writing
Over 30 years		English	Yes	Yes
21-30years		N/A	N/A	N/A
11-20years		N/A	N/A	N/A
6-10years	2	N/A	N/A	N/A
2-5years	5	N/A	N/A	N/A
Less than 2years	4	N/A	N/A	N/A
Does the company have a valid export license?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Export License Registration No.:		20120023		
Total revenue (previous year):		USD14.55Million		
Total export revenue (previous year):		USD14.11Million		
Total export revenue (current year):		USD14.85Million		
Trade agents employed overseas:		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Nearest port: Tianjin, Qingdao				
Accepted payment terms		<input checked="" type="checkbox"/> FOB <input checked="" type="checkbox"/> CIF <input checked="" type="checkbox"/> EXW <input checked="" type="checkbox"/> CFR		
Accepted payment type:		<input checked="" type="checkbox"/> L/C <input checked="" type="checkbox"/> T/T <input type="checkbox"/> Credit Card <input checked="" type="checkbox"/> Cash <input type="checkbox"/> West Union <input type="checkbox"/> MoneyGram <input type="checkbox"/> Paypal <input type="checkbox"/> Moneybooker		
Average lead time from product order confirmation to production delivery (products exiting the factory):		Three months		

We also have 5 overseas branches

- 1.Japan –Osaka-Contact person:Iwamoto(Main products are SS Pipe Fittings, Valves and auto parts.)
- 2.Turky-Istanbul-Contact person:Baris(Main products are SS Pipe Fittings, Valves,flanges, BW Fittings,etc.)
- 3.Germany—Contact person:Axel(Main products are SS Pipe Fittings, Valves,flanges, BW Fittings,etc.)
- 4.Ireland-Shannon-Contact person:Brian(Main products are SS Sanitary Fittings,clips,architecture parts.etc.)

Section 4:Export Business Capacity

Export Business Capacity			
4.1 Market Distribution (Previous 12 months)			
Market	Main Product(s)	Revenue(USD)	Total Revenue(%)
North America	S/S Pipe Fittings And Valves	324,300.00	2.3
South America	S/S Pipe Fittings And Valves	128,000.00	0.91
Eastern Europe	S/S Pipe Fittings And Valves	459,000.00	3.25
Africa	S/S Pipe Fittings And Valves	245,700.00	1.74
Oceania	S/S Pipe Fittings And Valves	18,400.00	0.13
Mid East	S/S Pipe Fittings And Valves	142,700.00	1.01
Eastern Asia	S/S Pipe Fittings And Valves	2,380,700.00	16.87
Western Europe	S/S Pipe Fittings And Valves	4,092,000.00	28.99
Northern Europe	S/S Pipe Fittings And Valves	294,600.00	2.09
Southern Europe	S/S Pipe Fittings And Valves	2,013,400.00	14.27
South Asia	S/S Pipe Fittings And Valves	2,873,000.00	20.36
Domestic Market	S/S Pipe Fittings And Valves	1,141,000.00	8.08

4.2 Main Clients



Client Name	Main Products	Total Revenue(%)
Confidential	Confidential	Confidential

Section 5: Production Capacity

Production Capacity				
5.1 Annual Production capacity (Previous Year)				
1,750T				
5.2 Production Capacity				
Product Name	Production Line Capacity		Actual Units Produced(Previous Year)	
Stainless Steel Pipe Fitting	2,000 T per year		1120T	
Stainless Steel Valves	850 T per year		630T	
5.3 Production Machinery				
Machine Name	Brand & Model No.	Quantity	Number of Year(s) Used	Condition
Injection machine	Dongying Fulike& 5T	2	6	Acceptable
	Dongying Dexin	9	1-4	Acceptable
Float sand machine	Dongying Fulike&FLS-5	5	1-10	Acceptable
Intermediate frequency machine	Dongying Dexin &KGYSC-3	5	2-8	Acceptable
Calcinator	Dongying Fulike &KGYSC	5	2-8	Acceptable
Shot-blasting machine	Weifang Huaxing &Q3210	9	3-10	Acceptable
Numerical control lathe	Zhejiang Kaida	73	1-14	Acceptable
				Acceptable
Robot machine	Robot	16	1-2	Acceptable
Tapping machine	Taiwan Jifu &KT-1	12	3-14	Acceptable
Barcode machine	LINX & 4700	3	3-11	Acceptable
Automatic packaging machine	TPG & SM-4526	5	1-5	Acceptable
5.4 Testing Machinery				
Machine Name	Brand & Model No.	Quantity	Number of Year(s) Used	Condition
Spectrum analyzer	Yantai Dongfang & KDCK-25	1	4	Acceptable
5.5 Subcontractors				
Subcontractor Name	Product subcontracted	Volume Supplied	Cooperation Period(years)	
N/A	N/A	N/A	0	

Section 6: Casting & Machining

6.1 Product Line Description

6.1.1 Stainless Steel Fittings, Valves for Industry, Building, Manufacturing, Agriculture, etc.














6.1.2 Trading for sanitary fittings, bw fittings, clips and architecture parts, etc.

Product sample

1. Stainless Steel Pipe Fittings	2. Stainless Steel Valves	3. Stainless Steel Sanitary Fittings & Clip, etc.
		

6.2 Product Flow

<p>1</p> 	<p>2</p> 	<p>3</p> 
Raw Material	Chemical Test	Mould Making
<p>4</p> 	<p>5</p> 	<p>6</p> 
Wax Injection	Repairing Burr	Assembly
<p>7</p> 	<p>8</p> 	<p>9</p> 
Sand-Shell Making	Dewaxing	Chemical test before pouring

10		11		12	
	Pouring		Knockout		Cutting
13		14		15	
	Grinding		Shot Blasting		Acid Washing
16		17		18	
	Process Inspection		Machining		Robot Machining
19		20		21	
	Cleaning		Pressure		Assembling
22		23			N/A
	Final Inspection		Package		

Section 7: Quality Assurance

Quality Management System and Product Certification				
7.1 Quality Management System Certification				
Certification	Certified By	Certificate No.	Business Scope	Expiry Date
N/A	N/A	N/A	N/A	
7.2 Product Certification				
Certification	Certified By	Certificate No.	Product Name&Model No.	Expiry Date
ISO9001	CHINA QUALITY CERTIFICATION CENTRE	00115Q210708R2 M/1300	MANUFACTURE OF STAINLESS STEEL PIPE FITTINGS AND VALVES ETC	26/Oct./2015—26/Oct./2018
7.3 Quality Control Management				
		Content	Observations/Comments	
7.3.1		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	
7.3.2		Do the QA/QC inspectors work independently from the production line?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
7.3.3		Who does the QA/QC Manager/Supervisor report to?	Mr.Dongqiang Wang—GM	
7.3.4		How many QA/QC inspectors in total?	39	
No. Of Employees in Each Production Line:				
Production Liner	Supervisor	No. Of Operators	No. Of In-line QA/QC	
Stainless Steel Pipe Fitting Production Line	8	230	30	
Stainless Steel Valves Production Line	2	58	9	
7.4 Supplier Management				
		Content	Observations/Comments	
7.4.1		Does the company have a supplier assessment procedure?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7.4.2		Does the company have an updated list of approved suppliers?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

7.4.3	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
7.4.4	Does the company keep its supplier Assessment Reports?	<input type="checkbox"/> Yes, Assessment Reports are available for more than 3 years <input 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 checked="" type="checkbox"/> No
7.4.5	Are the company 's purchasing docs sufficient to ensure product safety control and their customers ' requirements?	<input type="checkbox"/> Yes, the purchasing docs includes all the information required. <input checked="" type="checkbox"/> Yes, however the purchasing docs includes incomplete information <input type="checkbox"/> No
7.4.6	Is there a procedure to conduct random product inspections after final packaging?	<input type="checkbox"/> Yes, with clear standard and written inspection records <input checked="" 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
7.5 After Sales Service		
	Content	Observations/Comments
7.5.1	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
7.5.2	Are there any clear procedures for handing 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
7.5.3	Is there a closed-loop corrective action system in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7.5.4	Can finished/packaged products be traced by lot identification to the appropriate raw material test report?	<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
7.5.5	Is there a product alert and recall procedure?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Section 8: Production Process Management

Quality Control Management		
	Content	Observations/Comments
8.1	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
8.2	Are the following items/docs provided at the appropriate location?	<input checked="" type="checkbox"/> Work Instructions <input type="checkbox"/> Approved sample <input type="checkbox"/> Product picture <input type="checkbox"/> No the above-mentioned was not available.
8.3	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
8.4	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
8.5	How are finished products inspected?	<input 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
8.6	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
8.7	How are finished products that failed inspection handled?	<input checked="" type="checkbox"/> Repaired and re-inspected <input checked="" type="checkbox"/> Thrown away <input type="checkbox"/> No inspection necessary

Section 9: R & D Capacity

R & D Capacity

9.1 Current Situation

There is/are 0 R&D Engineer(s) in the company.

Education Level	Headcount		Work Experience	Headcount
Doctorate	0		Over 30 years	0
Post-Graduate	0		21-30 years	0
Graduate	0		11-20 years	0
Junior College	0		6-10 years	0
Technical School	0		2-5 years	0
High School	0		Less than 2 years	0
List of successful project(s) (Example:Patented products):		N/A		
Does the company have its own brand?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If yes, please specify:		N/A		
Does the company provide ODM service for others?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Are there relevant design input/output, review,and verification docs availbale for the assessment company?		<input type="checkbox"/> Yes <input checked="" 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:		N/A		
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		Auto CAD		
Please list all certifications and/or qualifications of the R & D department:		N/A		

Section 10: Company Development / Expansion Plans

Company Development / Expansion Plans		
	Company Development Action	Timeframe
1.	To increase foreign trade export	One year
2.	To increase the annual sales to USD15,000,000.00	One year
How to Increase The Above Plans?		
1.	Trace Current Business and Study the Current Market	Weekly/Monthly
2.	Attend the valid exhibition	Yearly
3.	Visiting Customers for knowing the updates	Yearly
4.	Do training on our sales team	Monthly