



QUALITY MANUAL

Manual Revision	A
Effective Date:	2-July-2004

CHAIPER ELECTRONIC LTD		捷力電子有限公司	
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Revision Sheet

DATE	MANUAL REVISION	SECTION	SECTION REVISION	AMENDMENT DETAILS
2-July-2004	A	ALL	A	Initial release

Originator	Reviewed & Approved by
Management Representative	Managing Director

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Quality Manual Control			

1.0 CONTROL OF THE MANUAL

Controls, including preparation, review, approval, issue, distribution, updating and removal, of the Quality Manual are stipulated in corresponding quality management system procedure.

1.1 Responsibility

- 1.1.1 The Management Representative (MR) is responsible for preparing and maintaining this Quality Manual (QM) in accordance to requirements of ISO 9001:2000 quality management system standard.
- 1.1.2 The Managing Director is responsible for reviewing and approving the QM; keeping the authorized QM, master copy of both latest and obsolete version.
- 1.1.3 Hard copy of Quality Manual will only be made under approval of Managing Director, who will apply identification on cover of document to signify its controlled or uncontrolled status.
- 1.1.4 The Administration Officer helps to control the distribution of controlled or uncontrolled copies of the QM.

1.2 Issue Status

- 1.2.1 The issue status of the QM is recorded & identified at the Distribution Sheet per Section 0.4 of the manual.
- 1.2.2 The revision code of the Manual & each Section starting from alphabet "A" which is shown on each page of the QM.
- 1.2.3 For any change made to the Quality Manual, only particular affected section(s) need to be singled out and replaced by the new ones with updated revision code.
- 1.2.4 The updated Section Revision code is being shown under the Section Revision columns in the Table of Contents per Section 0.1 and in the Revision Sheet per Section 0.2 of the QM respectively.
- 1.2.5 Be undergone numerous modifications or major amendments in various sections, the QM will be re-issued ,as determined by the Management Representative, with a higher Manual Revision code and all the Section Revision reset to "A".
- 1.2.6 Normally, Cover Page, Table of Contents and Revision Sheet will be distributed to all designated parties along with revised section(s) or issue(s).
- 1.2.7 The issuance of QM is managed by the Administration Officer in accordance with the procedure below.

1.3 Control of the Issuance of the Manual

- 1.3.1 The Administration Officer only prepares and maintains "CONTROLLED" hard copies of QM.
- 1.3.2 The controlled hard copy is identified by a red "CONTROLLED COPY" mark on the cover page assigned by the Managing Director. User should check this mark prior to use.

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- 1.3.3 Whenever a controlled hard copy must be distributed, the Administration Officer prepares the document and stamps a red “CONTROLLED COPY” mark on the front page, and records on at the Distribution Sheet per Section 0.4 of the manual.
- 1.3.4 The Administration Officer updates all controlled hard copies when any amendment has been made. A memo must then be prepared for circulation to all employees to notify the changes.
- 1.3.5 All obsolete controlled hard copies must be collected from respective holders with subsequent remarks at the Distribution Sheet accordingly.
- 1.3.6 Any hard copy without a red “CONTROLLED COPY” marking would be regarded as an “Uncontrolled” copy, which is only served for reference purpose.
- 1.3.7 “Uncontrolled” copy would be available from Administration Officer or be retrieved from the Company’s official website; which should not be regarded to be the latest updated version at any instance.

1.4 Distribution Control

- 1.4.1 "Controlled" and "Uncontrolled" copies of this QM are only issued with the consent of Managing Director, no matter in form of printed hardcopy or a soft-publication on the company’s official web-site.
- 1.4.2 A red “CONTROLLED COPY” stamp is put on each controlled hard copy with the particulars of the designated holder being recorded in the Distribution list per Section 0.4.

2.0 CHANGES TO THE MANUAL

- 2.1 When amendments are raised, the proposer should discuss with his/her department head and/or the Management Representative.
- 2.2 Upon seeking a compromise, the Management Representative revises the relevant sections of the Quality Manual. Prior to be issued, the amendments must be authorized by the Managing Director.
- 2.3 A higher Section Revision code is assigned to the affected section. The amendment details are recorded in Section 0.2 - Revision Sheet.
- 2.4 Cover page of the Manual and Section 0.1 - Table of Contents are also updated to indicate the latest status of the Manual and each section.
- 2.5 The Administration Officer has to ensure any update to all controlled copies and collect obsolete copies for disposal.
- 2.6 The obsolete Master Manual is stamped with a red "OBSOLETE" mark and is filed by the Managing Director for record.

3.0 PERIODIC REVIEW

- 3.1 Quality management system reviews are periodically conducted in accordance with the suggested schedule, per Section 4.1.1 Management Review Procedure, being approved by the Managing Director to ensure that the QM prescribes the approved quality management system correctly.

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CONTROLLED COPY

COPY HOLDER / DISTRIBUTED TO

MASTER COPY

Managing Director

INTERNAL COPY NO.

1

Central copy in office

2

3

EXTERNAL COPY NO.

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Certification Authority

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This Quality Manual is the operating document of Chaiper Electronic Ltd. (hereinafter referred to as the Company). Only those controlled copies (in any forms) bearing a red “CONTROLLED COPY” stamp are to be updated. The Administration Officer shall ensure that controlled copies of the Quality Manual are made available to the employees.

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Glossary			

- ISO : International Organization for Standardization
- ISO 9001-2000 : Quality Management Systems - Requirements
- QM : Quality Manual
- MR : Management Representative
- Contract : This term applies to all transactional documents between a customer and the Company. It may be verbal or documented. Contract may be in the form of sales contract, proforma invoice, purchase order, order confirmation and etc....
- Supplier : The terms contractor, sub-contractor, supplier, vendor, seller, or other terms used to identify the source from which product and/or service is obtained.
- Non-conformity** : Failure to meet a specific requirement. It may be a failure to meet a customer's requirement, a problem with a product or service, a deficiency in the quality management system or any other situation beyond requirements.
- CPAR : Corrective and Preventive Action Request
- MIS : Marketing Information System on the Company's Website
- MAC : A software for sales & purchase order processing & inventory control

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Company Direction			

1.1 CHAIPER ELECTRONIC LTD (The Company)

Chaiper was established since 1988 with an aim to provide high quality trading service on electronic components and semiconductor devices in Hong Kong, PRC and the Asean countries. Our management & senior executives have decades experience with branded semiconductor lines like Atmel, Fairchild, Intersil, Maxim, National Semiconductor, On Semiconductor, Texas Instruments, ST Microelectronic, etc. and passive components including Vishay (Spectrol), Bourns and C.P.Clare.

The address of the Company is as follows:

Rm. 602, 6th Floor, Hewlett Centre,
54 Hoi Yuen Road, Kwun Tong,
Kowloon, Hong Kong.

1.2 QUALITY MISSION

“Unregreted Choice” (無悔的選擇) is the slogan in Chaiper, directing ourselves to the commitment of customer satisfaction & encouraging our strive for supplier & market recognition. We thereby endeavour to meet any quantity of customer demand in consistence with our holding high quality product & brand mix. In addition, the company is considerate & conscious on protecting the interest of employees and tries to reciprocate to business counterparts.

In order to improve our service quality & enhance customer satisfaction in severe business environment, the company has established a quality management system in compliance with ISO 9001:2000. Through its effective application, the company wants to strengthen the competitive ability to achieve our mission; implant processes for continual improvement of the system and assure the conformity to the customer and applicable regulatory requirements.

1.3 QUALITY MANAGEMENT SYSTEM

Chaiper Electronic Ltd has established a quality management system in compliance with the International Standard ISO 9001: 2000. The quality management system covers the processes of general business operation and related service activities in HK. The implication to trading nature business stresses the Company’s focus on providing high standard service, from an enquiry till the eventual delivery of quality goods mix; that would satisfy customers’ scheduled or urgent needs.

The Company will maintain greatest commitment to the quality management system. In this Quality Manual, quality policy and objectives are clarified, organization structure and job flow are defined, and operational procedures are formulated. Quality records, where necessary, are generated to demonstrate the effectiveness of implementation of the Quality Management System. As a whole, the Quality Management System documentation serves as the strongest visual evidence of its implementation; details can be referred to Section 4.2.1 Quality Management System.

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The sequence and interaction of operative processes in the quality management system is described in a flow chart per Section 3.5 Flow Chart. The descriptive responsibility of individual task should be referred to Section 3 Organization and Responsibility of this manual.

1.4 PROCESS MANAGEMENT

The sequence, process and interaction between various operational departments are presented in a flow chart per Section 3.5. The chart demonstrates a gist of decisions and controls in an operative flow. It is updated regularly when changes take place or is reviewed at least once a year at the Management Review Meeting. The current issue at any one time being available for examination is kept by the Administration Officer and is being approved by the Executive Director.

Quality management system processes are monitored and measured when required in accordance to quality management system documents. When departures from planned results occur, correction and preventive action will be taken to ensure conformity to specified requirements.

1.5 MANAGEMENT COMMITMENT

The management of the company will ensure that procedures are implemented in order to make employees aware of the importance of meeting customer requirements as well as statutory and regulatory requirements. Also, a quality policy and quality objectives are established and regular management reviews per Section 4.1.1 Management Review Procedure are conducted to review performance and effectiveness of the quality management system. In addition, required resources are promised to be available for proper functioning of activities affecting quality and customer satisfaction.

1.6 MANAGEMENT REPRESENTATIVE

The Executive Director is designated to be the Management Representative (MR) by the Managing Director for the quality management system of the company. He/she has the authority and responsibility to ensure that the requirements of the quality management system are established, implemented and maintained in accordance with the requirements of ISO 9001:2000. He/she is also required to report the performance of quality management system and suggest any need for improvement for management reviews and actions. Specifically he/she needs to organize the management review, control of quality management system, arrangement of internal quality audits, and administration & maintenance of the quality management system documents.

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1.7 CUSTOMER FOCUS

To achieve customer satisfaction, the management ensures that procedures are implemented to determine and document customer needs and expectations, and that these customer requirements are met as appropriate. To monitor the effectiveness of these activities, customer feedback collected will be part of regular management review.

To achieve customer satisfaction, customer expectations and perceptions as to whether the Company has met customer needs will be analyzed in regular basis. For such a purpose, a Customer Satisfaction Survey is to be held by Sales Dept. annually with, at least 25, active customers. In addition, regular probes will be conducted by sales staff to collect customer opinion, negative comments, or otherwise appraisal, during the business course.

1.8 CONTINUAL IMPROVEMENT

Continual improvement is stressed in the quality management system of the Company as:

- A spiritual element in the quality policy
- An essential constituent in the quality objectives
- A part of actions taken upon audit results
- A result of corrective and preventive action
- Opportunities surfacing from data analysis
- A required output from management review

1.9 QUALITY POLICY

The company will continuously improve its services in order to satisfy the needs of its customers. In addition, all our employees will commit to maintain an effective quality management system complying with ISO 9001: 2000 requirements through active involvement. The details of Quality Policy, its deployment and review can be referred to Section 2.1 Quality Policy.

1.10 PERMISSIBLE EXCLUSION

Due to the trading nature of the business, the related services to customers incur no design, production, installation and after-sales maintenance of the product. In regard to the requirement in ISO 9001: 2000, no corresponding provision for those activities in the company is applicable.

However, should there be any requirement relevant to the Company, the Management Representative will be responsible for establishing procedures to fulfill the requirement.

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Hence, with reference to ISO 9001:2000, the following clauses are inapplicable to current operations of Chaiper Electronic Ltd.

- 7.3 Design and Development
- 7.5.2 Validation of processes for production and service provision
- 7.5.4 Customer property
- 7.6 Control of monitoring and measuring devices

Nevertheless the company will assist customer to handle their own goods upon request (or from her dedicated suppliers) despite rare occasion, the arrangement would not inflict any extra liability to the company operation. Neither is any requirement to be established for controlling customer property with respect to section 7.5.4 of ISO 9001:2000. The handling means restrictively a parallel lift along the company's shipment or delivery. No transactional document will therefore be effected and attached.

As simple trading business involved that resulting output of process can be verified by subsequent monitoring or measurement, hence section 7.5.2 of ISO 9001:2000 is not applicable. In addition, simple inspection activities involved but requested no devices for carrying out inspection and testing, hence section 7.6 of ISO 9001:2000 is not applicable to current operation of Chaiper Electronic Ltd.

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Quality Policy			

QUALITY POLICY

The Quality Policy established by Managing Director is to display the company's commitment towards quality. He must ensure that the quality policy, also in the event of any subsequent issue or update, is understood, implemented and maintained at all levels of employees. The orientation program to all new employees must include its introduction & clarification by their direct supervisor. Lastly, the quality policy is reviewed for continuing suitability in regular management review.

The statement of the Quality Policy shown below is authorized by the Managing Director which must be understood, implemented and maintained at all levels in the Company. A mandatory requirement of employment is an adherence to the quality management system in this Quality Manual. Each manager & supervisor in the Company is responsible for ensuring that their subordinates read and practice this policy.

<p>To ensure the quality of our service at all time, we</p> <ol style="list-style-type: none"> 1) establish, implement and maintain our quality management system in accordance with and in compliance to ISO 9001:2000. 2) strive for continuous improvement to achieve Total Customer Satisfaction. 3) seek to attain a Win-Win solution in the market place with Suppliers. 4) provide adequate opportunity to develop all levels of employee to their high quality with commensurate justifiably rewards <p>Our Quality Management System allows us to have complete quality control of every activity, to ensure maximum quality and productivity in conformance to ISO9001:2000. High quality service is committed by CHAIPER via our continuous self-improvement to attain customer satisfaction.</p> <p>CHAIPER is always the customers'</p> <div style="text-align: center; border: 1px solid black; padding: 5px;"> <p>"UNREGRETED CHOICE"</p> </div>
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To our customers, we commit to provide high quality service to satisfy them at all time. We promise to make prompt replies to customers enquires; maintain and distribute a board spectrum of quality goods mix with quantity to meet customers demands. We provide professional and technical consultations; strive to offer reasonable & competitive prices and advance on-time scheduled deliveries with courtesy.

To our suppliers, we commit honesty and integrity in all relationships with them. We are demanding but working in a just & fair manner to attain a WIN-WIN solution.

To our employee, we seek to create and maintain an enjoyable and safe working environment, to assure them equal opportunities to continually develop their maximum potential with commensurate and justifiable rewards for their contribution to the success of the Company.

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Quality Objective			

QUALITY OBJECTIVE

To be closely adhered to the stated quality policies, measurable quality objectives at operation levels are formulated by the Directors to assess their effectiveness across the quality management system.

To strengthen our competitive advantages and to enhance the effectiveness of our service, the Company treasures customers & suppliers feedbacks from annual surveys or via any appropriate mean. Prompt reactions and preventive actions are promised through in-depth discussion in management review. The feedback pool is attributable to our continual improvement.

Internally, all employees can gain their individual free access via any appropriate media to the Director grade management for making any feedback or comment about the company; that will be solemnly dealt with in any immediate chance or be discussed in the regular management review. Vice versa, individual capability in coping with their job requirement will be assessed annually. Management comment or advice will be recorded in the Staff Continual Assessment Form for benchmarking their further improvement.

Achievement of, or if any amendment to, these quality objectives will be reviewed, revised and recorded in annual management review.

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Organization & Responsibility			

3.1 ORGANIZATION STRUCTURE

The organization structure of The Company is shown in the organization chart per Section 3.1. The chart is updated when major organization changes take place or is reviewed at least once a year at the Management Review Meeting. The current issue at any one time being available for examination is kept by the Administration Officer and is being approved by the Managing Director.

3.2 INTERNAL COMMUNICATION

Management makes available appropriate communication channels for employees to share information about operation and effectiveness of the quality management system.

3.3 RESPONSIBILITIES AND AUTHORITIES

The general terms of reference for managerial and supervisory positions are detailed below. The responsibilities of those staffs that perform and verify work affecting quality are defined in the corresponding section in this QM.

3.3.1 Managing Director

The Managing Director is responsible for the overall operations of the Company. He/she has to ensure that the products and services provided are able to comply with the customers' quality requirements and achieve the Company's quality objectives.

3.3.2 Executive Director

The Executive Director reports to the Managing Director and must be independent, determined and visionary. He/she is the surveillant of the Company's financial resources for efficient & effective utilization, supervising accounting functions, prospecting internal budgets. In addition, he/she directs the PRC operations in compromising with the Marketing Director.

3.3.3 Marketing Director

The Marketing Director is required to report to the Managing Director. He/she is responsible for

- a) maintaining and monitoring an effective and efficient Marketing Information System (MIS),
- b) formulating annual marketing plan and strategies to achieve company goals,
- c) exploring and guiding to develop strategic target markets, e.g. Singapore, Malaysia and else where,
- d) identifying, analyzing and satisfying customer/market needs with his/her supervision of Purchase and Sales activities.

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3.3.4 PRC Manager

The PRC Manager reports to the Executive Director. He/she implements sales operations in mainland China and works independently to achieve the annual sales target. He/she needs to

- a) reinforce existing sales structures and channels,
- b) explore new strategic market partnership,
- c) formulate appropriate product mix to target clientele,
- d) report any sales development plan to the Executive Director.

3.3.5 Account Supervisor

The Account Supervisor reports to the Executive Director. He/she is required to

- a) define and monitor credit term & limit to individual customer,
- b) handle full set of company account and responsible for daily accounting activities,
- c) keep clear and flawless accounting records and be presentable for audit purpose,
- d) assist in financial control function by providing weekly fund flow budget to Executive Director.

3.3.6 I.T. Supervisor

The I.T. Supervisor reports to the Executive Director, he/she is to

- a) secure the computer servers' reliability to ensure a trouble-free and virus-free customer servicing system,
- b) research the application of latest information technology to support the continual development in the Company's information system,
- c) keep system's hardware & software at highest efficiency and greatest effectiveness in coping with the customer needs.

3.3.7 Sales Manager

The Sales Manager reports to Marketing Director and must be energetic personality, hardworking and self-motivated. He/she is responsible

- a) supervising and monitoring the sales activities to ensure the achievement of annual sales target,
- b) reviewing and approving customer contracts on the company's capability of complying with the customer requirements,
- c) assuring customer satisfaction throughout the transaction, handling customer complaints and serving any after-sales consequences.

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3.3.8 Purchasing Manager

The Purchasing Manager reports to the Marketing Director and must be initiative and assertive. He/she is required to

- a) assess & approve products suppliers to assure the quality of the merchandise,
- b) supervise price inquiries & authorize purchase orders to suppliers,
- c) hold periodical inventory review to formulate appropriate inventory mix in accordance with marketing/sales objectives within a prescribed budget,
- d) uphold the reliability of price & delivery information in MAC,
- e) propose strategic purchase & inventory plan to the Marketing Director to cope with customer needs.

3.3.9 Purchasing Supervisor (R&D)

The Purchasing Supervisor (R&D) is working with the Purchasing Manager to develop appropriate brand/product mix for the marketing/sales activities. He/she must be independent and responsible for the effectiveness of MIS.

3.3.10 Store Supervisor

The Store Supervisor reports to the Executive Director, cooperates with the Sales & Purchase Department. He is responsible for

- a) goods In /Out audit,
- b) store check,
- c) warehouse management,
- d) maintain error-free in goods receipt and dispatch.

3.3.11 Administration Officer

The Administration Officer reports to the Executive Director. He/she is required to

- a) manage the overall Personnel and Administration activities of the Company,
- b) supervise the effectiveness of shipping activities, personnel policy and documentation system.
- c) help in the general office documentation, maintain the quality management system's filing and its implementing.

3.3.12 Manager Assistant (PRC)

He/she assists the PRC Manager to coordinate the sales activities in the PRC market. He/she is also responsible for Customers accounting entries and purchasing activities follow up.

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Organization Chart

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Flow Chart			

The Flow Chart roughly frames a route to guide the majority operation processes in the Company. For the descriptive details of any step, the user should refer to the procedures of relevant sections in this Quality Manual.

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Quality Management System Section			

This section of the Quality Manual is divided into sixteen sections which are then sub-divided. Details of sub-sections can be referred to at Section 0.1 Table of Contents of this manual.

The sub-sections are:-

- 4.1 Management Responsibility
- 4.2 Quality Management System
- 4.3 Contract Review
- 4.4 Document and Data Control
- 4.5 Purchasing
- 4.6 Product Identification and Traceability
- 4.7 Process Control
- 4.8 Inspection & Testing
- 4.9 Control of Non-conforming Product
- 4.10 Corrective and Preventive Action
- 4.11 Handling, Storage, Packaging, Delivery and Preservation
- 4.12 Control of Quality Records
- 4.13 Internal Quality Audits
- 4.14 Training
- 4.15 Servicing
- 4.16 Statistical Techniques

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Management Review Procedure			

1.0 PURPOSE

To set forth the procedure for determining the continual suitability and effectiveness of the quality management system.

2.0 APPLICATION

This procedure is applicable to review the established quality management system of the Company.

3.0 DEFINITIONS

Quality management system Review Committee: A committee, consisting of a Managing Director, Management Representative and one of the department heads/supervisors, to review issues pertaining to the overall Quality management system.

4.0 REFERENCE MATERIALS

Section 4.10.1 Corrective and Preventive Action Procedure

5.0 RESPONSIBILITY

- 5.1 The Managing Director is responsible for chairing the quality management system review meeting.
- 5.2 The Management Representative is responsible for coordinating and recording system review, reporting quality management system performance and monitoring follow-up actions.
- 5.3 Each department head is responsible for implementing the corrective actions as formulated during the quality management system review meeting.

6.0 PROCEDURE

- 6.1 The quality management system is reviewed at least once a year by the Quality management system Review Committee.
- 6.2 All members of the Quality management system Review Committee should attend the review meeting.
- 6.3 The Managing Director and the Management Representative must attend all meetings. The quorum requires at least half of the members to be present at all meetings.
- 6.4 The Management Representative should coordinate and follow up with the Committee for the actual review date and necessary details.
- 6.5 The quality management system review includes, but is not limited to, the followings aspects:-
 - 6.5.1 The overall effectiveness of the quality management system in satisfying requirements of stated quality policy and objectives;

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- 6.5.2 An overhaul to customer, supplier & employees feedbacks about the performance of the operation process;
- 6.5.3 An overview of non-conformances, customer complaints and corrective & preventive actions performed since last review;
- 6.5.4 The findings and reports of internal and external quality management system audits;
- 6.5.5 Any recommendations to modify or improve the quality management system, and/or to incorporate new quality concepts, market strategies as well as social and business changes.
- 6.5.6 To strengthen required resources and infrastructure for implementing and improving the quality management system
- 6.6 If corrective and preventive action is necessary, he/she should detail the action to be taken, responsible person and expected completion date in the meeting minutes. The minutes should then be distributed to all members for record.
- 6.7 If necessary, Corrective and Preventive Action Request (see Section 4.10.1 Corrective and Preventive Action Procedure) could be raised to eliminate causes of actual & potential non-conformances to a degree appropriate to the magnitude of problems and commensurate with the risks encountered.
- 6.8 The concerned department head is responsible for investigating the causes of actual & potential non-conformances, including, but not limiting to, customer complaints.
- 6.9 Timely corrective & preventive rectifications should be proposed & documented in appropriate record.
- 6.10 Adequate controls will be applied to ensure that proposed actions are implemented effectively.
- 6.11 The Management Representative should record any decisions and/or actions determined in the management review related to the improvement of the effectiveness of the quality management system and its processes; improvement of product/service related to customer requirements and file record in a presentable nature, which is being kept by the Administration Officer.
- 6.12 The progress of and result from implementing those actions and decisions should also be monitored by the Management Representative and to be submitted in next management review.
- 6.13 The frequency of review may be adjusted should a change occur in the organizational structure or upon request by the Committee.

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Resource Management			

1.0 PURPOSE

To set forth the procedure for provide resources for the following purpose on time:

- To implement and maintain the quality management system
- To continually improve upon the quality management system effectiveness
- To ensure customer satisfaction through consistent achievement of customer requirements

2.0 APPLICATION

This procedure is applicable to review the continual suitability and effectiveness of the allocated resources.

3.0 DEFINITIONS

Infrastructure includes buildings, workspace and associated facilities, process equipment, and supporting services.

4.0 REFERENCE MATERIALS

Section 4.14.1 Training Identification Procedure

5.0 RESPONSIBILITY

- 5.1 The Executive Director is responsible for approving the provision of resources.
- 5.2 The Management Representative is responsible for strengthening required resources for implementing and improving the quality management system during the management review meeting.
- 5.3 Each Department Head/supervisor is responsible for identifying addition needs and coordinating to enhance an effective and efficient launch of the resource.

6.0 PROCEDURE

6.1 Human Resources

- 6.1.1 Orientation and familiarization programs and job related training (Section 4.14.1 Training Identification Procedure) shall be provided to all new employees to enhance them to familiarize with the company operation and to perform daily tasks to the achievement of the quality objectives, their adherence to the quality policy & company mission.
- 6.1.2 Department Head/Supervisor should affirm her direct sub-ordinates with required competence through education, skills, training and working experience; with reference to the Staff Personal Records at the Administration Officer.
- 6.1.3 Managing Director is responsible for identifying any necessary training needs in the annual performance appraisal interview (Section 4.14.1). Competence can be enhanced via internal training or by external means.

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- 6.1.4 Managing Director's approval is needed before any external program is arranged by the Department Head/Supervisor.
- 6.1.5 Internal training can be held upon the Department Head's/Supervisor's discretion, but must not interfere with the normal life of the staff.
- 6.1.6 Effectiveness of skill-related training will be evaluated and recorded properly by the Administration Officer in the Staff Personal Record per procedure 6.4 at Section. 4.14.1 Training Identification Procedure.

6.2 Infrastructure

- 6.2.1 The Directors determine the provisions and maintenance of appropriate infrastructure required for performance of activities, processes and services in order to ensure conformity to specified product requirements.
- 6.2.2 Department Head/Supervisor decides equipment or devices adequacy for effective productivities & efficient performance.
- 6.2.3 The Administration Officer should keep necessary maintenance records of dedicated infrastructure, equipment or devices.
- 6.2.4 The Management Representative should address, if any, infrastructure insufficiency in the regular management review.
- 6.2.5 In case of any urgent or sudden requirement of equipment or devices, a Director should be consulted for advice and/or subsequent action plan.

6.3 Work Environment

- 6.3.1 The Management Representative monitors a hazard-free work environment of the company in compliance to statutory requirements.
- 6.3.2 The Department Head/Supervisor should be considerate of a safe and enjoyable work environment for the staff from unnecessary injuries or pressure.
- 6.3.3 The Store Supervisor ensures a neat & clean condition for storing the inventory in conforming to specified quality requirements. Any machinery or equipment should be under well-maintenance. Statutory safety regulations and precautions against any foreseeable harm must be addressed to the sub-ordinates and any person drops by the warehouse.

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Quality Management System			

1.0 PURPOSE

To set forth the requirements for establishing, maintaining, implementing and planning the quality management system.

2.0 APPLICATION

This procedure is applicable to the quality management system of the Company in satisfying the requirements of ISO 9001:2000.

3.0 DEFINITIONS

Not Applicable.

4.0 REFERENCE MATERIALS

Section 0.3 Quality Manual Control

Section 4.1.1 Management Review Procedure

Section 4.3.1 Contract Review Procedure

Section 4.4.1 Document Control Procedure

Section 4.12.1 Quality Records Control Procedure

5.0 RESPONSIBILITY

5.1 The Management Representative is responsible for ensuring the establishment, implementation and maintenance of documented quality management system and its effectiveness to be continually improved to achieve compliance with ISO 9001: 2000.

5.2 Managing Director will ensure availability of adequate resources and information necessary to establish and sustain the quality management system.

6.0 PROCEDURE

6.1 Quality Management System Documentation

6.1.1 The Company has adopted a two-level documentation system, with a complementary operation flow-chart:

6.1.1.1 Quality Manual (QM)

6.1.1.2 Quality Records

6.1.2 The Management Representative is responsible for ensuring that this documented quality management system is implemented and maintained effectively.

6.2 Quality Manual

6.2.1 This Quality Manual includes scope of quality management system, information and guidance on the quality policy, documented procedures and practices of Chaiper Electronic Ltd.

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6.2.2 The Manual serves as a global document and defines the quality policy, company organization, supporting instructions and the responsibilities of department personnel for the implementation of the system.

6.2.3 Format of the Quality Manual

6.2.3.1 The Quality Manual is divided into five sections, 0.0 to 4.0, with Section 4.0 sub-divided into sixteen sub-sections.

6.2.3.2 The sixteen sub-sections are further divided to define how the requirements of ISO 9001:2000 being satisfied and the manner in which the system is operated and maintained, as well as the responsibilities of personnel involved and the documentation requirements.

6.2.3.3 The following standard format should be used for each sub-section of the Quality Manual:

Purpose - Briefly describe the purpose of the procedure.

Application - Outline specific application areas of the procedure.

Definitions- Explain of unique or special words or terms appropriate to the procedure.

Reference Materials - Identify specific documents or other materials associated with the procedure.

Responsibility - Define specific responsibilities of key personnel in carrying out the procedure.

Procedure - Describe the activities and methods in sufficient details.

6.2.4 Control of this Quality Manual is defined in Section 0.3.

6.3 Quality Records

6.3.1 Quality records and data pertaining to results of review, audit, inspection and sales and related activities are kept to demonstrate the system's conformance to specified requirements and the effective operation of the quality management system.

6.3.2 Section 4.12.1 Quality Records Control Procedure of this manual sets out the requirements for controlling quality records.

6.4 Planning

6.4.1 As the Company operates a standard type of services, the high quality and customer satisfaction are achieved by operation in accordance with the documented quality management system. Hence, planning of product realization is defined in quality management system procedures, which stipulate how quality objectives and requirements for product are met by the company.

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6.4.2 Specific customer requirements are identified and documented during the Contract Review Process (Section 4.3.1 of this manual), allowing these requirements to be communicated and achieved, thus ensuring satisfaction of all specified needs of customers.

6.4.3 Upon the completion of measurement and monitoring of the processes and analysis of the data, appropriate action is taken to assure intentions are achieved and opportunities for improvement are acted on.

6.4.4 Quality management system is periodically reviewed to ensure its continual suitability and effectiveness in satisfying the requirements of ISO 9001:2000(Section 4.1.1 of this manual).

6.4.5 When significant changes occur in such as the organization, the facilities or business strategy, extraordinary management review shall be conducted to assure integrity and compatibility of the quality management system.

6.5 Operation flow-chart

6.5.1 The flow chart guides the sequence and interaction of the identified operational activities needed for this quality management system throughout the company environment.

6.5.2 It describes the route, provides guidelines and/or imposes control in performing quality activities. The criteria and methods for effective control of processes are found in documented procedures.

6.5.3 Procedure 6.2 in Section 4.4.1 Document Control Procedure, defines the establishment, maintenance and issuance of the flow chart.

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Contract Review Procedure			

1.0 PURPOSE

To determine the requirements of a sales order and the issuance of a sales invoice.

To ensure company's capability in handling a customer contract.

To ensure that the discharge or execution of a contract satisfies customer requirements.

2.0 APPLICATION

This procedure is applicable to the review of sales orders and contracts of the Company.

3.0 DEFINITIONS

Contract - This term applies to all transactional documents between a customer and the Company. It may be verbal or document. Contract may be in the form of sales contract, proforma invoice, purchase order, order confirmation and etc.

P.O. - Purchase Order from customer

Higher level of management - The Director grade as shown in the organizational chart.

4.0 REFERENCE MATERIALS

Section 4.7.1 Sales Order Processing Procedure

5.0 RESPONSIBILITY

5.1 The Sales Manager is responsible for approving contractual documents in customer transactions.

5.2 Director's endorsement is required if sales orders exceed the predetermined credit limit.

5.3 The Sales Coordinator is responsible for preparing and following up transactions.

6.0 PROCEDURE

6.1 Upon receipt of any inquiries (verbally, e-mail or fax), the Sales Dept. negotiates & clarifies with the customer:

6.1.1 Product required : Part number, Brand name ;

6.1.2 Target price, if applicable;

6.1.3 Package;

6.1.4 Request Delivery;

6.1.5 Any special requirements, such as Date Code, Country of origin.

6.2 In response to the customer's request, the Sales Manager ensures that the Company is capable to handle (stock availability, price and schedule), per flow chart at Section 3.5. In assessing the capability, he/she can, if necessary,

6.2.1 obtain relevant quotations of potential suppliers from Purchasing Dept for the procurement of product.

6.2.2 seek the advice/ recommendation/ approval from higher level of management.

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- 6.3 The Sales staff prepares quotations for customer reference, which specifies the terms and conditions that include, but not limited to, the followings:
- 6.3.1 Product description & Package, if applicable;
 - 6.3.2 Prices, currency and exchange rate, if applicable;
 - 6.3.3 Payment term & Delivery;
 - 6.3.4 Validity period of the quotation;
 - 6.3.5 Special terms and conditions if any (such as restricted Date Code & Country of Origin, any applicable regulatory or statutory requirement)
- 6.4 The quotation is then sent to customer by any appropriate media. A copy is to be kept in the Customer Quotation File/E-mail.
- 6.5 If the quotation is done verbally, the Sales staff needs to record all the terms and conditions at procedure 6.3 above in his/her sales logbook for subsequent reference.
- 6.6 Upon the quotation is signed confirmation or by verbal consent with customer's authorization, or a written P.O. is received; contents of the contract/PO must be checked against the original quotation.
- 6.7 The sales staff must confirm from the Account Supervisor that the customer is dealing within the predefined credit limit with the company before passing to Manager's approval.
- 6.8 The local orders should be approved by the Sales Manager within his/her predetermined limit on: (1) required gross margins & (2) payment terms in compliance with the predefined criteria with the Account Dept.
- 6.9 For overseas order, Sales Order will be issued to customer for notification.
- 6.10 Director's approval must be granted in any case beyond the Manager's authority.
- 6.11 In case of changes to any terms in the customer order, the sales staff should communicate a resolution to the customer and the revised contract should be subsequently sent for customer's acknowledgement. Prior approvals, if required, should be granted to the revisions from the Sales Manager or higher level of management.
- 6.12 Upon the acceptance of a valid customer contract, the sales order/invoice is processed following the Section 4.7.1 Sales Order Processing Procedure.
- 6.13 The Company has absolute obligation to discharge an accepted contract for the best sake of the customer. In case of any foreseeable delinquency to the contract due from the Company or the related supplier, the relevant sales & purchasing staff or their Manager must seek alternate resolution or settlement and communicate promptly to the customer for minimizing any potential loss.
- 6.14 In case of a unilateral breach or amendment from the customer, advice and approval should be sought from the higher level of management; or otherwise if for any legal claim of liability or remedy for damages to minimize the company loss.

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Document Control Procedure			

1.0 PURPOSE

To set forth the procedure for the control of initiation, drafting, authorization, revision, and issuance of quality management system documents.

2.0 APPLICATION

This procedure is applicable to all types of documents used in the quality management system, including but not limited to:

- ✧ Operation Flow-chart
- ✧ International/National Standard, Codes of Practice, hereinafter referred to as standard;

3.0 DEFINITIONS

Not Applicable

4.0 REFERENCE MATERIALS

Not Applicable.

5.0 RESPONSIBILITY

- 5.1 The Managing Director is responsible for approval of the Quality Manual.
- 5.2 The Management Representative is responsible for compilation of the Quality Manual, and maintenance of standard document.
- 5.3 Department Head/Supervisor is responsible for approving his/her relevant portion in the operation flow-chart.
- 5.4 The Administration Officer is responsible for maintaining and issuing of quality management system documents.

6.0 PROCEDURE

- 6.1 Maintenance of flow chart
 - 6.1.1 When there is a need to insert any appropriate step in the flow chart, the proposer should make suggestion to Department Head for Director's review and approval.
 - 6.1.2 The flow chart should be graphed in an understandable format that fits the departmental purposes; it should nevertheless include the Approval Signature of a Director & the Date of Approval.

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Document Control Procedure			

- 6.1.3 The master copy of the revised flow chart is maintained and kept by the Administration Officer. Any old master copies are stamped with a red “OBSOLETE” mark and being abandoned.
- 6.1.4 Any issuance of copy for internal reference purpose should approach the Administration Officer.
- 6.1.5 Procedures 6.1.1 to 6.1.4 should be followed in any case of amendment to the flow chart.
- 6.2 Control of International/National Standards and Codes of Practice
- 6.2.1 On receipt of a new or updated standard, the receiving date is stamped onto the first page. The information of the standard is registered on a Standard Document Master List which is maintained and updated by the Administration Officer.
- 6.2.2 The Standard Document Master List contains the following information: Standard Number; Title; Revision; & Issue Date
- 6.2.3 The master copy of the standard is maintained and kept by the Administration Officer.
- 6.2.4 The Management Representative should monitor the latest version of those standards. He/she should acquire updated version, when necessary, via consultancy or the official website of relevant standard.
- 6.2.5 When a revised standard is received, step 6.2.1 to 6.2.3 should be followed. The outdated master copy is marked with a red “OUTDATED” stamp to preclude from its unintended use.
- 6.2.6 The Administration Officer makes photo-copy of the standard if necessary, a red “CONTROLLED COPY” mark is stamped on the front page of the photo-copy.

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Computer System Control Procedure			

1.0 PURPOSE

To ensure the efficient and effective operation of the computer hardware and software.

To maintain up-to-date business data back-up for any emergency or recovery from accidental system breakdown.

To secure that MAC & MIS is running at a trouble & virus-free computerized environment

2.0 APPLICATION

This procedure is applicable to the hardware and software of the computer network for sales & purchase order processing, invoicing, information flow, shipping and inventory control.

3.0 DEFINITIONS

MIS - Marketing Information System on the Company's Website

MAC - A software for sales & purchase order processing & inventory control

4.0 REFERENCE MATERIALS

Not Applicable.

5.0 RESPONSIBILITY

5.1 The Executive Director is responsible for approving the MIS & MAC User Identification Form.

5.2 The IT Supervisor is responsible for the overall control and maintenance of computer system's hardware and software.

5.3 The IT Supervisor issues all user ID & password for using the Company's computer system.

6.0 PROCEDURE

6.1 Computer Access Control

6.1.1 Each internal user in accessing MAC/MIS is required to obtain a unique ID by submitting a User Identification Form, which is being approved by the Executive Director.

6.1.2 The access to "Inventory" in MIS of the official website needs a (weekly) updated universal USER ID & password, which is provided to external access by the Sales Manager's recommendation.

6.1.3 The IT Supervisor assigns individual user a unique ID & personal password, with his/her access right being well defined.

6.1.4 The original User Identification Form is kept by the IT Supervisor.

6.1.5 To terminate an internal user, the relevant Department Head must provide reason in the original User Identification Form, which is to be acknowledged by the Managing Director.

6.1.6 Upon approval, the termination of access to the computer system will be held immediately by the IT Supervisor.

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6.1.7 The Administration Officer will update and keep the terminated User Identification Form.

6.2 Computer System Control

6.2.1 The IT Supervisor maintains master official versions of computer software.

6.2.2 Any illegal or pirate copies of software are barred to be existed in the computer system.

6.2.3 Sufficient firewall protections against viruses should be introduced & updated in a regular manner.

6.2.4 A thorough virus scanning must be held at least once a quarter.

6.2.5 The IT Supervisor must attend at an introduction of new computer software, enhancement or deletion of current software by the software supplier.

6.2.6 If any hardware or software modification is requested, the proposer describes his/her requirement to Department Head and/or the Executive Director for approval.

6.2.7 IT Supervisor will then contact the hardware or software supplier for subsequent action.

6.2.8 The IT Supervisor must monitor the progress and assist to resolve any problem during implementation.

6.2.9 All relevant users are informed and taught of new or modified release of the hardware or software by the IT Supervisor.

6.3 Data Backup

6.3.1 The IT Supervisor is responsible for the maintenance of backup data, keeping track of the backup schedule, and monitoring each backup activity.

6.3.2 All business records and data backup in MAC should be held on a regular time basis.

6.4 System Breakdown and Recovery

6.4.1 The IT Supervisor must attend in any case of system breakdown or software malfunction to recover the operation in a soonest manner.

6.4.2 The IT Supervisor must record the failure symptoms and repair details in the maintenance log and report to the Executive Director.

6.4.3 Any subsequent preventive or remedial proposal should be sought to restrict similar occurrence.

6.4.4 If data corruption occurs during system breakdown, the IT Supervisor restores the backup data and informs affected personnel before resuming daily operation.

6.4.5 Regular maintenance and innovation on the computer servers must be performed by the IT Supervisor.

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Form Control Procedure			

1.0 PURPOSE

To set forth the procedure for the initiation, approval, issue and amendment of forms.

2.0 APPLICATION

This procedure is applicable to all quality management system related forms that are used in the Company.

3.0 DEFINITIONS

The quality management system related forms of internal trade documents include, but not limited to:

- Non-Conformance Report;
- Supplier Assessment (Re-evaluation) Report;
- Supplier Information Sheet;
- Staff Continual Assessment Form;
- Staff Personal Record;
- User Identification Form;.....

4.0 REFERENCE MATERIALS

4.12.1 Quality Records Control Procedure

5.0 RESPONSIBILITY

5.1 The Management Representative is responsible for identifying and approving all forms used in the quality management system.

5.2 The Administration Officer is responsible for maintaining and keeping the original forms.

6.0 PROCEDURE

6.1 Identification of forms

6.1.1 The Management Representative is responsible for identifying forms to be controlled based on whether the form is used for quality record purpose per Section 4.12.1 Quality Records Control Procedure.

6.1.2 The Administration Officer maintains and updates a Master List of Controlled Form after identification.

6.2 Initiation of Addition and Amendment of Form

6.2.1 Any staff can initiate addition and/or amendment of forms. The initiator prepares a draft version to the Management Representative for review.

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6.2.2 The Management Representative, the initiator, and concerned parties review the draft version to seek acceptance.

6.2.3 The Administration Officer prepares a master form with a form number and revision number.

6.2.4 The new or revised form is sent to the Management Representative for approval.

6.2.5 The Management Representative makes a dated signature on the back of the form for approval.

6.2.6 The Administration Officer updates the Master List of Controlled Form on the following items:

- form index number;
- form title;
- revision code;
- date of registration

6.3 Form Indexing & Numbering Assignment

6.3.1 The form should be assigned a unique index number, and revision code.

6.4 Issuance of Forms

6.4.1 The Administration Officer informs users on the newly issued and/or revised version of a form. Obsolete forms are disposed by respective users.

6.4.2 The Administration Officer maintains a master filing of forms of the latest version. Any obsolete master copy is identified with a red "OBSOLETE" mark.

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Supplier Assessment and Performance Review Procedure			

1.0 PURPOSE

To set forth the procedure for assessment, approval, disapproval and performance review of product suppliers.

To ensure that the Company is buying products from capable and quality suppliers.

2.0 APPLICATION

This procedure is applicable to the assessment of product suppliers.

3.0 DEFINITIONS

NCR - Non-Conformance Report

New products - any product happens to be newly introduced by supplier which has not been any record in MAC and MIS. Customer oriented item, even new to the company, should not be misconceived to this category.

4.0 REFERENCE MATERIALS

Section 4.10.1 Corrective and Preventive Action Procedure

5.0 RESPONSIBILITY

5.1 The Executive Director is responsible for the approval and disapproval of product supplier.

5.2 The Marketing Director is responsible for the approval of new products from existing suppliers.

5.3 The Purchasing Manager is responsible for the maintenance of Approved Supplier List.

6.0 PROCEDURE

6.1 Approval of New Suppliers is by the Executive Director via the Supplier Assessment Procedure (procedure 6.3)

6.2 All suppliers have transacted with the company for more than 2 years prior to this quality manual will be exempted from the Supplier Assessment Procedure, unless or otherwise a negative remark is obtained from the Purchasing Manager.

6.3 Assessment of New Suppliers

6.3.1 When there is a need to consider a new supplier, a Supplier Information Sheet has to be submitted by the Purchasing Manager with supplier's background and capability information.

6.3.2 The Purchasing Manager should determine a thorough study in the supplier's trade history, business strength and its market reputation.

6.3.3 The Purchasing Manager should record the assessment results with his/her recommendation in the Supplier Assessment Report.

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- 6.3.4 Each assessment has to be concluded with either one of three recommended dispositions: approval, disapproval or conditional approval.
- 6.3.5 In the Supplier Assessment Report, the Purchasing Manager must pre-define conditions to allow a “conditional approved supplier” to be an “approved supplier” of the Company.
- 6.3.6 The Supplier Assessment Report with any associated information is submitted to the Executive Director for approval.
- 6.3.7 Order to disapproved supplier is strictly restricted. Re-assessment can be held upon supplier’s request or Purchasing Manager’s recommendation. Approval will be granted only if the re-assessment result is satisfactory.
- 6.3.8 The records of qualified product suppliers are filed in the Approved Supplier folder & named in the Approved Supplier List; whereas records of non-qualified suppliers are filed in the Rejected Supplier folder.

6.4 Assessment of New Product from Existing Supplier

- 6.4.1 New products from existing supplier must be accompanied with official product literatures and samples for customer or Marketing Director’s approval.
- 6.4.2 The approval of the new product from existing supplier will be marked / commented on the Supplier Assessment Report by the chop confirmation of the Marketing Director.
- 6.4.3 The Purchasing Manager will notify the supplier if the new product is not qualified due to customer’s rejection or Marketing Director’s disapproval.
- 6.4.4 If necessary, the Purchasing Manager will seek any new or alternate product version to satisfy specific customer needs.

6.5 Monitoring of Supplier

- 6.5.1 The performance of active suppliers is monitored by the Purchasing Manager; whom is defined as those incur currently steady & substantial business with the company reference to the transactional history.
- 6.5.2 Late-shipment report & Goods Return records, on quarterly basis, would be tracked for reviewing active suppliers’ performance to meet the required standard.
- 6.5.3 When the performance of a supplier is found unsatisfactory, the Purchasing Manager must caution on subsequent purchases.
- 6.5.4 In finding no improvement or serious symptom of any non-compliance, the Purchasing Manager will issue ‘Corrective and Preventive Action Request’ in form of NCR per Section 4.10.1 Corrective and Preventive Action Procedure; that requires the supplier for taking corrective action accordingly.

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6.5.5 If corrective action is not taken within an agreed period, the Purchasing Manager should proscribe the supplier by completing NCR (details Corrective & Preventive Action Request), with the original Supplier Assessment Report and any associated records, to the Executive Director.

6.5.6 Upon a stamp of disqualification on the Supplier Assessment Report by the Executive Director, the dated report should be filed in Rejected Supplier folder, and prepares a memo for circulation to inform concerned parties about the changes.

6.6 Approved Supplier List

6.6.1 The Purchasing Manager is responsible for compiling and updating the Approved Supplier List for the product suppliers for any change.

6.6.2 The Approved Supplier List needs a SIGNED approval from the Executive Director which is required to be updated at least once a year.

6.7 Supplier Satisfaction Survey

6.7.1 An efficient supply chain is an essential constituent to attain our customer satisfaction. A close alignment with our supplier is necessary. In the Purchasing Dept, Supplier Satisfaction Questionnaire will therefore be held annually with, at least, top 10 active suppliers.

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Purchasing Control Procedure			

1.0 PURPOSE

To set forth the procedure for the control of purchasing activities.

To ensure that the purchased goods/products conform to good quality and/or required specifications.

2.0 APPLICATION

This procedure is applicable to the procurement of tradable goods to the customers.

3.0 DEFINITIONS

P.O.- Purchase order

4.0 REFERENCE MATERIALS

Section 4.5.1 Supplier Assessment and Performance Review Procedure

Section 4.10.1 Corrective and Preventive Action Procedure

5.0 RESPONSIBILITY

5.1 The Purchasing Manager is entitled with an authorized limit to issue P.O. subject to Director's approval.

5.2 The Purchaser is responsible for the issuance of purchasing document and monitoring the delivery status of a P.O.

6.0 PROCEDURE

6.1 Purchase of products

6.1.1 In receipt of any sales orders with insufficient inventory, or subject to marketing forecast or inventory review, the Purchasing Manager initiates purchase plan and / or prepares P.O. which may need Marketing Director's approval.

6.1.2 The P.O. with proper order number should detail, but not limited to, supplier information, part number, brand, quantity, expected delivery date, unit price, currency / exchange rate and delivery instruction, payment terms, and any special requirements such as date code, country of origin, package and marking.

6.1.3 The supplier should be in the Approved Supplier List.

6.1.4 Order to non-approved supplier, unless a stipulated appointment in the customer's contract, can only be permitted by Director grade management.

6.1.5 Nonetheless, the non-approved supplier should then be undergone Procedure 6.3 Assessment of New Suppliers in Section 4.5.1 to evaluate and ensure its ability to supply product in accordance with the Company's requirements.

6.1.6 P.O. value exceeding the defined limit must be approved by the designated management authorities in prior to any issue.

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- 6.1.7 The approved PO would be sent to the corresponding supplier via, but not limited to, fax or email.
- 6.1.8 The issued P.O. is being maintained by the Purchasing Supervisor for supplier's acknowledgement and further processing to Account Dept. & warehouse.
- 6.1.9 Any amendment to acknowledged P.O. must gain prior compromise from the supplier and should follow steps 6.1.2 to 6.1.5. The revised P.O. is issued to supersede its precedent, where the change will be noted down remarkably & distinctively.
- 6.2 A red stamp "CANCELLED" should be put on a cancelled P.O. which is sent to the supplier by the Purchasing Manager and be retained for record.
- 6.3 The Purchaser needs to monitor the status of the confirmed P.O. and ensures on-time delivery from the suppliers.
- 6.4 For any changes in the confirmed P.O. linking to customer orders, the Purchaser should consult the Purchasing Manager for any alternate solution.
- 6.5 The Sales Manager and relevant Sales staff have to be informed immediately in order to take remedial action.
- 6.6 The Purchasing Manager should be informed of any subsequence that will help to satisfy a customer order.
- 6.7 The Purchasing Manager should report any unilateral revocation of confirmed P.O. by the Supplier to the Executive Director for CPAR (Section 4.10.1 Corrective and Preventive Action Procedure). If serious consequence ensues to accepted customer orders, legal claim of liability or remedy for damages may be sought to minimize the company loss.

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Product and Trading Document Identification Procedure			

1.0 PURPOSE

To define clearly product identification criteria for all the operating staff to prevent unnecessary mistakes.

To implement an effective order identification systems in order to raise the traceability of individual order.

2.0 APPLICATION

This procedure is applicable to all products bought and sold by the Company.

3.0 DEFINITIONS

Not Applicable.

4.0 REFERENCE MATERIALS

Not Applicable.

5.0 RESPONSIBILITY

5.1 The Store Supervisor is responsible for identifying and maintaining clear recognition of a product throughout the whole operation of its storage in the warehouse as well.

5.2 The Sales Manager is responsible for defining numbering system for sales order related document and ensuring the proper implementation.

5.3 The Purchasing Manager is responsible for defining the numbering system for the purchase order and the related documents and ensuring the proper implementation

6.0 PROCEDURE

6.1 Product Identification

6.1.1 All products delivered to the Company or to the customer are identified by the original manufacturer's logo and part number, which are labeled / printed / marked on the standard package and/or genuine body of the product.

6.1.2 The products' identification could be checked according to the purchasing document of the Company or sales invoice prepared by the supplier to the Company, which should have Marketing Director's approval.

6.2 Sales Order Identification and Traceability

6.2.1 The Sales Manager defines numbering system for indexing sales order related documents.

6.3 The order number must be clearly identified on the appropriate location of the document.

6.4 The contents of any sales / purchases related documents can be traced by indexing to the corresponding number in the computer (MAC).

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Sales Order Processing Procedure			

1.0 PURPOSE

To define a clear process in executing sales orders

To identify checkpoints to monitor the effectiveness of the process

To ensure the compliance of all sales orders with customers' requirements.

2.0 APPLICATION

This procedure is applicable to all sales order undertaken by Sales and Marketing in the Company.

3.0 DEFINITIONS

Not Applicable.

4.0 REFERENCE MATERIALS

Section 4.3.1 Contract Review Procedure

Section 4.5.2 Purchasing Control Procedure

Section 4.7.2 Shipping Preparation and Processing Procedure

Section 4.15.1 Post Delivery Servicing Procedure.

5.0 RESPONSIBILITY

5.1 The Sales Dept. is responsible for executing the Sales Orders and Invoices, e.g. coordinating and monitoring the delivery status.

5.2 The Sales Manager or management at a higher level is responsible for checking orders details and approving whence an acceptance.

6.0 PROCEDURE

6.1 The execution of any sales order could be processed consequential to any quotation or customer's sales contract which has been reviewed and approved per Section 4.3.1 Contract Review Procedure.

6.2 Upon a receipt of Purchase Order or Order Confirmation via any means from customers, the Sales Manager checks the requested delivery date.

6.2.1 File the PO if it is a scheduled order and reserve enough quantity in inventory or backlog to secure on-time dispatch at the due date.

6.2.2 The Sales Coordinator needs to confirm the availability of ordering items at once if immediate delivery is required.

6.3 If the ordered items are confirmed available, the Sales Dept. needs to issue Sales Order (SO) or invoices to the warehouse for packing and delivery.

6.4 The issued invoice must be approved by the Sales Manager with reference to the customer's predefined credit limit.

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- 6.5 He/she needs to sign the invoice where there is found no discrepancy, referring to the contract, in customer name, product particulars, quantity, payment terms and/or other special requirements and etc.
- 6.6 One copy of the invoice will be passed to the Account Dept for payment reference.
- 6.7 If any subsequent discrepancy is found, the issued invoice must be returned to the Sales Dept. for corrections/amendments, which requires authorized approval from the Sales Manager, prior to all subsequent activities.
- 6.8 For an insufficient quantity of any item on orders, the Sales staff should prepare a request for quote via any means to the Purchase Dept., per Section 4.5.2 Purchasing Control Procedure, to confirm the availability of enough quantity on schedule, or to advise customer of any amendment to the ordered quantity or the lead time if availability cannot be met immediately.
- 6.9 The Sales Coordinator needs to fax the signed and approved invoice to customer for his preparation of payment upon delivery.
- 6.10 For overseas shipment, the Shipping clerk prepares the shipping documents according to Section 4.7.2 Shipping Preparation and Processing Procedure.
- 6.11 The Sales Coordinator is responsible for monitoring the delivery status of any scheduled customers order, ensuring that the items on orders are delivered on schedule.
- 6.12 Any non-compliance to customer's original orders must be reported to the Sales Manager for immediate amendment with customer's prior notification & consent.
- 6.13 If there is any request of goods return after or in the delivery of an order, the concerned Sales staff can refer to Section 4.15.1 Post Delivery Servicing Procedure.
- 6.14 Any unilateral rescind or requested amendment to a confirmed order by customer should accompany with a remedial compromise justifiable to attain a satisfactory discharge of the contract or minimize the company loss.
- 6.15 In case of an unsatisfactory settlement, the revocation being regarded as a breach would require approval from high level of management or advise for further legal proceedings, if applicable.

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Shipping Preparation and Processing Procedure			

1.0 PURPOSE

To set up the guideline for preparing shipping documents and carrying out the shipping process.

2.0 APPLICATION

This procedure is applicable to all overseas sales orders within the Company.

3.0 DEFINITIONS

Not Applicable.

4.0 REFERENCE MATERIALS

Section 4.3.1 Contract Review Procedure

5.0 RESPONSIBILITY

5.1 Shipping Clerk is responsible for the preparation of all relevant shipping documents in accord to the contract.

5.2 Administration Officer is responsible for checking and reviewing the relevant shipping documents.

6.0 PROCEDURE

6.1 Once a sales order is confirmed, the Sales staff should verbally inform Shipping Clerk to initiate the shipping documentation preparation.

6.2 Shipping Clerk prepares the necessary documents with reference to the information on the sales invoice.

6.3 If any terms in the sales invoice cannot be fulfilled, the Shipping Clerk informs the situation to the Sales staff for alternatives.

6.4 The sales invoice is then amended accordingly to the new arrangement by Section 4.3.1 Contract Review Procedure.

6.5 Shipping documents includes shipping order to forwarder, customs invoice, Packing List, and any other export documents requested by customers.

6.6 Administration Officer checks and reviews the shipping documents against the content on the sales invoice and signed the shipping order if no discrepancies found.

6.7 Shipping documents are sent to the customer designated shipping forwarder for shipment processing and to customer for records. Shipping Clerk should also be given related shipping documents for records.

6.8 Shipping mark is per Sales staff instruction according to respective contract / customer request.

6.9 The Air Way Bill or Bill of Lading is issued or delivered to customers.

6.10 The shipment status is monitored by the Shipping Clerk and report to the Sales staff in case of any changes occurs.

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Inspection and Test Status Procedure			

1.0 PURPOSE

To set forth the requirement of inspecting trading documents and products.

2.0 APPLICATION

This procedure is applicable to all trading documents and purchased products handled by the Company.

3.0 DEFINITIONS

Trade Documents refers to all delivery notes, invoices from the suppliers or the purchase order of the Company.

4.0 REFERENCE MATERIALS

4.8.2 Receiving Inspection Procedure

4.11.1 Handling, Storage, Packaging, Delivery and Preservation Procedure

5.0 RESPONSIBILITY

5.1 The Account Supervisor is responsible for the inspection of all trading documents.

5.2 The Store Supervisor is responsible for the inspection of all incoming trading goods.

6.0 PROCEDURE

6.1 Trading Document

6.1.1 Trading documents including invoices / delivery notes to customer / from supplier, purchase order, goods return note etc., need to be correctly identified with approval stamp / signature by the relevant Department Head before any subsequent proceedings to the Account Supervisor.

6.2 Incoming Product

6.2.1 All incoming goods must be segregated in the identified location for receiving inspection per section 4.8.2 Receiving Inspection Procedure.

6.2.2 Incoming goods having passed the prescribed procedure are to be displaced from the receiving area to a dedicated location / goods rack; which is accepted to be in good condition & quality.

6.2.3 Only "Accepted" goods should be allowed for subsequent delivery or shipment to customer orders.

6.2.4 Incoming goods in failure to comply with Section 4.8.2 Receiving Inspection Procedure are to be rejected and being placed in the "REJECT" area.

6.2.5 The supplier code should be labeled on the package of "Rejected" incoming goods with a red remark of "REJECT" as identification.

6.3 Delivered Product

6.3.1 Controls refer to Section 4.11.1 of this manual.

6.3.2 Identification of rejected products follows Procedure 6.2.5 as shown above.

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Receiving Inspection Procedure			

1.0 PURPOSE

To establish procedure for incoming inspection in order to

- verify that the specified requirements for the products are satisfied
- ensure that all disqualified items are blocked at the receiving stage
- confirm all incoming quantity complies with the corresponding documents

2.0 APPLICATION

This procedure is applicable to all INCOMING goods to the Company.

3.0 DEFINITIONS

Trade Documents refers to all delivery notes, invoices from the suppliers or the purchase order of the Company.

Date Code – be printed on the product to indicate its ex-factory date. The general trade practice is to accept any semiconductor devices within a 2 years period.

4.0 REFERENCE MATERIALS

Section 4.6.1 Product and Trading Document Identification Procedure

Section 4.9.1 Control of Non-conforming Product Procedure

Section 4.11.2 Sample Control Procedure

5.0 RESPONSIBILITY

- 5.1 The Purchasing Manager is responsible for checking the trade documents in detail, and stamps her consent before the payment arrangement by the Account Supervisor.
- 5.2 The Store Supervisor is responsible for inspecting all incoming products according to the trade documents.

6.0 PROCEDURE

- 6.1 Upon the receipt of the incoming goods, visually inspect the goods and if any damage appears, the goods should be rejected. Consult the Purchasing Manager or higher level of management if any queries.
- 6.2 In case of a self pick up from the supplier, our staff should visual check of any defective appearance and confirm the conformance of product particulars versus the trade documents. Should there be any query, the Store Supervisor must be informed for any subsequent action or decision.
- 6.3 The Store Keeper or Supervisor should identify all incoming goods; either from supplier delivery or by self pick up, per Section 4.6.1 Procedure 6.1 Product Identification.

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- 6.4 If the identification is missing, unclear or any mismatch with the trade documents, the Store Supervisor must inform the Purchasing Manager to take immediate correction, or the goods must be rejected.
- 6.5 Due care is required in checking the quantity, date code and, if specified, country of origin, of the goods against the trade documents.
- 6.6 Consult the Purchasing Manager for immediate decision or corrections / amendments should any discrepancies appear.
- 6.7 The Store Keeper / Supervisor stamps on the delivery document to acknowledge the receipt of the goods before passing the payment to the supplier's delivery person.
- 6.8 Store Supervisor needs to stamp (sign) his confirmation if the Store Keeper exercises procedure 6.1 – 6.5.
- 6.9 Upon the completion of the receiving inspection process, the Store Supervisor needs to input supplier's invoice details at "Goods Receipt Note" in MAC for subsequent accounting process.
- 6.10 Any samples received should be carried out according to step 6.2 and passed to the Purchaser for subsequent handling. The sample control should follow the procedure as stated in Section 4.11.2 of this manual.
- 6.11 Any rejected items will be handled according to Section 4.9.1 Control of Non-conforming Product Procedure.

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Control of Non-conforming Product Procedure			

1.0 PURPOSE

To set forth the procedure for ensuring that non-conforming products are properly identified, returned to suppliers, and recorded.

2.0 APPLICATION

This procedure is applicable to all non-conforming products found in the Company.

3.0 DEFINITIONS

Trade Document refers to all delivery notes, invoices from the suppliers or the purchase order of the Company.

4.0 REFERENCE MATERIALS

4.15.1 Post Delivery Servicing Procedure.

5.0 RESPONSIBILITY

- 5.1 The Managing Director is responsible for approving the disposal of non-conforming goods from the warehouse
- 5.2 The Marketing Director is responsible for approving the Non-Conformance Report (Defective Goods) for the return from customers.
- 5.3 The Purchasing Manager is responsible for controlling and returning of non-conforming / disqualified goods at the receiving stage.
- 5.4 The Sales Manager is responsible for assisting the Marketing Director in investigating the non-conforming product and in monitoring any follow-up action.

6.0 PROCEDURE

- 6.1 Control of Non-conformance at the receiving stage
 - 6.1.1 Once non-conforming product is found "REJECTED" at the receiving stage, the goods is
 - 6.1.1.1 either returned to the suppliers' delivery men at the spot and refused to acknowledge the acceptance of the goods, or
 - 6.1.1.2 consult and pass the transactional documents to the Purchasing Manager. The rejects should be put at the reject area.
 - 6.1.2 The Purchasing Manager examines & records the non-conformance on the trade documents.
 - 6.1.3 If necessary, the remarked document will then be passed to the Marketing Director for comment.
 - 6.1.4 If rejection is decided or proposed, the Purchasing Manager arranges the return of non-conforming products to the product suppliers according to Procedure 6.3.
- 6.2 Control of Non-conformance of Customer Returned
 - 6.2.1 According to Section 4.15.1 Post Delivery Servicing Procedure 6.1 – 6.8, the "RETURNED" goods from customer will stay at the "REJECT" area with the attached Non-conformance Report (Defective Goods).

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- 6.2.2 Subject to customer's request, the Sales Manager should state either a refund, replacement or else suggestion in the report if the reject from customer is accepted.
- 6.2.3 The report must also detail the reasons and the quantity in failure by Sales Manager with the approval from Marketing Director.
- 6.2.4 The Marketing Director will finalize a disposition of the customer return for subsequent follow-up in the Purchasing Dept.
- 6.2.5 The Purchasing Manager should then arrange the return of non-conforming products to suppliers according to Procedure 6.3.
- 6.2.6 Should a return to supplier is infeasible due to product deterioration; the Purchasing Manager may suggest a disposal by Procedure 6.4 Disposal of Non-conforming goods in the warehouse.
- 6.3 Control of Field Non-conformance
- 6.3.1 Goods Return Note (4 copies) is required to be filled and signed by the Purchasing Manager for either replacement or refund.
- 6.3.2 One copy should be passed to the Account Dept for refund arrangement, if applicable.
- 6.3.3 Two copies should be passed to the Store Supervisor and sent along with the defective goods to the supplier. The supplier needs to stamp and sign for acceptance of the company's return goods on 1 copy while the other one would be the supplier's own record.
- 6.3.4 One copy is kept as internal record in the Goods Return Note File in the purchasing department.
- 6.3.5 The Purchasing Manager needs to monitor the progress of the replacement / refund to make sure the entire case can be completed before the committed date.
- 6.3.6 At the closing stage, the Purchasing Manager must conduct a verification with the store of the receipt of replacement or with Account Dept. of the settlement of refund.
- 6.3.7 He/she needs to stamp the internal copy to indicate the completion and notifies the Marketing Director or any relevant parties.
- 6.4 Disposal of Non-conforming goods in the warehouse
- 6.4.1 Any disqualified goods should be placed at the "REJECT" area, and a descriptive report details those specified items and reasons of disposal should be submitted for Marketing Director's initial approval.
- 6.4.2 The Marketing Director recommends the ways to handle. A final approval must be sought from The Managing Director if it is suggested to be disposed off.
- 6.4.3 All the packing should be destroyed to ensure that no opportunities for recycle. The disposal must be put at a safe place where no direct harm to others will be caused.

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Corrective and Preventive Action Procedure			

1.0 PURPOSE

To define the responsibilities and procedures for the investigation of the causes of non-conformance and formation of corrective and preventive action.

2.0 APPLICATION

The application is designed for initiating, conducting and controlling the corrective and preventive actions within the Company.

3.0 DEFINITIONS

CPAR - The abbreviation for Corrective and Preventive Action Request.

NCR - Non-Conformance Report

4.0 REFERENCE MATERIALS

Section 4.1.1 Management Review Procedure

Section 4.10.2 Customer Complaint Handling Procedure

5.0 RESPONSIBILITY

5.1 The Executive Director is responsible for approving the CPAR.

5.2 The Management Representative is responsible for coordinating the corrective and preventive action meeting, ensuring proper documentation of all CPAR in NCR, updating the CPAR Status Log and monitoring the effectiveness of corrective action undertaken.

6.0 PROCEDURE

6.1 CPAR can be initiated by any personnel in the Company or external complaints where significant actual or potential non-conformities to quality standard is being observed or detected.

6.2 The initiator obtains a form of Non-Conformance Report and submits details of any non-conformance to the Management Representative.

6.3 Should an external CPAR be initiated, the relevant Sales or Purchasing staff or the Marketing Director must submit the complaint on behalf in a Non-Conformance Report.

6.4 The MR assigns a report number, and records in the CPAR Status Log.

6.5 The CPAR in NCR is then distributed to the concerned department head.

6.6 A review meeting chaired by Management Representative should be held with relevant department heads to discuss the causes of the actual or potential non-conformity and formulate appropriate corrective & preventive action.

6.7 Any suggestion to corrective or preventive action should gain acknowledgement from the Managing Director prior of its implementation. Preventive action can be initiated based on identification of poor trend of performance.

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- 6.8 The relevant Department Head obliges to act promptly to rectify non-conformity under the supervision of the Management Representative.
- 6.9 The Management Representative should record the corrective & preventive action undertaken, monitors its effectiveness, and reports its progress, or if any deviation from the planned action, to the Managing Director.
- 6.10 Upon satisfactory completion of corrective & preventive action, the Management Representative fills up the Non-Conformance Report and CPAR Status Log accordingly with the completion date of the corrective actions.
- 6.11 The Management Representative should complete the Non-Conformance Report to the Managing or Executive Director, who will conclude the result and, if necessary, comment with any further preventive action.
- 6.12 Any practicing preventive action to potential non-conformities should be reviewed and revised in the management review to meet current requirements.
- 6.13 If necessary, quality management system procedures will be revised to ensure effective implementation of corrective and preventive actions.

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Customer Complaint Handling Procedure			

1.0 PURPOSE

To set forth the requirements to ensure customer complaints to be properly handled, and corrective and preventive actions are formulated, documented, implemented and reviewed.

2.0 APPLICATION

This procedure is applicable to all verbal and written complaint received from customer.

3.0 DEFINITIONS

NCR - Non-Conformance Report

4.0 REFERENCE MATERIALS

Section 4.1.1 Management Review Procedure

Section 4.10.1 Corrective and Preventive Action Procedure

5.0 RESPONSIBILITY

The Marketing Director is responsible for settling customer complaints with proper action or correction satisfactorily.

6.0 PROCEDURE

- 6.1 When a complaint is received by any staff, either verbal or written, he/she must promptly direct the complaint to the Marketing Director.
- 6.2 The Marketing Director assigns the complaint in a numbered Non-Conformance Report to details the complaint.
- 6.3 The Marketing Director will coordinate with Sales Manager and/or any relevant parties to investigate into the complaint and formulates corrective action. The findings are recorded in NCR by the Marketing Director.
- 6.4 In lacking of any recommendation of corrective action to customer complaint, the Marketing Director must specify the plausible reason in NCR.
- 6.5 With any proposal of corrective action, responsible parties must implement and rectify the non-conformance accordingly.
- 6.6 In the course of corrective action, the Marketing Director monitors the effectiveness of the action. If the outcome remains unsatisfactory, the Executive/Marketing Director should raise a subsequent CPAR to bring the concern to management.
- 6.7 The Executive/Marketing Director comments with preventive measures in the review of NCR with signature. The report is closed only if action is effectively & satisfactorily implemented.
- 6.8 The Marketing Director summarizes and analyzes the customer complaints for Management Review purpose (Section 4.1.1 of this manual).

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Handling, Storage, Packaging, Delivery and Preservation Procedure			

1.0 PURPOSE

To set forth the procedure of proper handling, storage, packaging, preservation and delivery of products in the Company.

To affirm the absolute correct of the delivery of goods against an invoice or a delivery note to any customer.

To ensure error-free warehousing operation with appropriate feedback control in case of mistake/error.

2.0 APPLICATION

This procedure is applicable to the handling, storage, packaging, preservation and delivery of products.

3.0 DEFINITIONS

Not Applicable.

4.0 REFERENCE MATERIALS

Section 4.9.1 Control of Non-Conforming Product Procedure

5.0 RESPONSIBILITY

5.1 The Store Supervisor is responsible for ensuring that all goods are handled, stored, delivered in accordance with this procedure.

5.2 All personnel involved in handling, storage, packaging, preservation and delivery of products shall comply with this procedure.

6.0 PROCEDURE

6.1 Handling

6.1.1 Fragile items must not be stacked by heavier products.

6.1.2 Handling of products must follow the handling instructions on the external packing of products.

6.1.3 Heavy items should stack on pallet/trolley for further location transfer or delivery.

6.1.4 The stacking height must be in conscious of safety & accessibility to prevent any person injury or goods damage.

6.1.5 If necessary, the Store Supervisor or Executive Director shall prepare handling instructions for any item that requires special handling and preservation methods.

6.2 Storage and Preservation

6.2.1 Incoming goods waiting for inspection should be located in front of the check desk at the entrance with required trade documents.

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6.2.2 The incoming goods after inspection are stored in assigned location in the store.

6.2.3 The Store Supervisor is responsible for identifying and maintaining specific locations to segregate the rejected items.

6.2.4 The dispatched cartons or goods would be located on specified areas or pallets for being delivered on schedule.

6.2.5 The Store Supervisor is responsible for ensuring a proper storage environment for products from damage and deterioration.

6.2.6 In receiving and dispatching goods, the Store Supervisor keeps and collects all related documents, and handover to the any relevant party as required, such as Accounting Dept.

6.2.7 The Store Supervisor is responsible for maintaining and controlling of stock's In and Out smoothly and accurately.

6.2.8 Any non-conforming products found in the storage area have to be reported to the Purchasing Manager according to Section 4.9.1 Control of Non-Conforming Product Procedure 6.1 – 6.2.

6.3 Packaging

6.3.1 All products in the Company that in receipt, at storage or ready for shipment is required to maintain its “original packaging for identification and protection” from deterioration.

6.3.2 If the original label or package is lacking or insufficient, additional identification and protection should be provided by the Store Keeper, if necessary.

6.4 Packaging and Delivery of Products to Customer

6.4.1 Packing of goods

6.4.1.1 The description & quantity of items ready for delivery must be ascertained to the corresponding invoice/Sales Order by the Store Supervisor or by a higher level of management before boxing.

6.4.1.2 The Store Supervisor needs to stamp his final check and fills the number of cartons into the corresponding invoice.

6.4.1.3 Goods in protective and sealed packages, cartons or boxes must be stripped.

6.4.1.4 The customer code or shipping mark, carton number if applicable, must be marked clearly & significantly on the surface of the packages. Invoice/shipping documents must also be attached for overseas shipment.

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6.4.1.5 The Store Supervisor must put security seals at appropriate package openings to indicate the completeness & accuracy of the packing procedure. It is also to remind customer to check the content upon receiving goods in seeing a broken seal.

6.4.1.6 The goods ready to be delivered will be placed at the dispatched location for delivery. Customer pick up goods will be placed at separated location for collection.

6.4.2 The Sales staff is responsible for arranging and coordinating the shipment to customer.

6.4.3 The Store Supervisor is in charge of all Local Delivery of the goods. The Shipping Clerk communicates with customer designated forwarder and coordinates with the relevant Sales staff for goods collection.

6.4.4 Any delivery document / invoice without the acknowledgement of the Store Supervisor cannot leave the warehouse.

6.4.5 Before effectuate a delivery/shipment, shipping particulars: Invoice no., customer code, no. of cartons & delivery man/forwarder are filled in the Shipping Log and endorsed by the Store Supervisor.

6.4.6 The Store Supervisor is responsible for monitoring the delivery status according to the planned schedule and marking in the Shipping Log accordingly.

6.4.7 Upon the completion of any delivery or shipment, Store Supervisor collects and gathers the customer/forwarder signed invoice/document copy, if any, along with any payment from customers. For overseas shipments, cargo receipt or waybill can be an evidence of customer's acceptance of products.

6.4.8 The Store Supervisor or a higher level of management is responsible for verifying that all Ex-Warehouse Shipments are completed with the collection of all delivery-proof documents against the Shipping Log.

6.4.9 The trade documents, if with any payment, should be forwarded to the Account Dept for subsequent follow up if applicable.

6.5 Store Physical Check

6.5.1 A thorough physical check of inventory quantity versus MAC records is held annually to assure an error free warehousing operation.

6.5.2 Contingent store physical check can be performed upon the Purchasing Manager request with Director's approval. The scope can be reduced to specified range of products which the Purchasing Manager thinks appropriate.

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- 6.5.3 The Purchasing Manager will prepare a printed inventory report at the specific date from MAC which details part number with corresponding quantity in store.
- 6.5.4 Within the day, the physical quantity in store must be verified on the printed report which will be passed back to the Purchasing Manager.
- 6.5.5 The Purchasing Manager should rectify any mismatch or discrepancy in alignment with the Store Supervisor.
- 6.5.6 Should there exist critical error, Executive Director must be consulted for corrective measures.
- 6.5.7 The occurrence of the mistakes and suggested solution should be recorded and be brought into Management for review for precaution.
- 6.5.8 Monthly inventory review should be held internally at MAC by Purchasing Manager to maintain an adequate & sufficient inventory mix for customer needs.
- 6.5.9 Any dead or slow-moving store items should be identified with respect to the preset criteria by Marketing Director, or purchase plan should be formulated for any insufficiency. The report should be submitted to the Marketing Director for further disposition.
- 6.5.10 Should there be found any dead stock, the Purchasing Manager can comment for disposal upon approval from Marketing Director per Procedure 6.4 in the warehouse in Section 4.9.1 Control of Non-Conforming Product Procedure.
- 6.5.11 The Marketing Director can decide appropriate sales strategy to deal with slow-moving stock items, and approves any suggested purchase plan in order to restore appropriate inventory mix for the customers' potential demands.

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Sample Control Procedure			

1.0 PURPOSE

To set forth the procedure for acquiring, receiving, recording and dispatching product samples.

2.0 APPLICATION

This procedure is applicable to all sample preparation activities for customers of the Company.

3.0 DEFINITIONS

Not Applicable.

4.0 REFERENCE MATERIALS

Not Applicable.

5.0 RESPONSIBILITY

5.1 The Sales Manager is responsible for the approval of sample order request and updates the stock record accordingly.

5.2 The Purchasing Manager is responsible for replenishing any non-available sample for the Sales staff.

6.0 PROCEDURE

6.1 Product Sample Request

6.1.1 After receiving a sample request from customer, the Sales Dept. issues a Sales Invoice (SI) / Order (Sample) with the signed approval of the Sales Manager.

6.1.2 The SI/SO(Sample) is then sent to the Store Supervisor who authorizes to ready the sample from the store availability.

6.1.3 The Store Supervisor identifies the packed sample and stamps the SI(Sample) of his check.

6.1.4 The sample is delivered to the relevant sales staff for his/her dispatch to the concerned customer.

6.1.5 A copy of the SI must be sent to the Account Dept., who will follow up the payment if there is a charge.

6.2 Product Sample Replenishment

6.2.1 The Purchaser monitors the Sample Order Request.

6.2.2 When there is a need for product sample replenishment, the Purchaser checks the product supplier and issues a sample order detailing: Part number; Brand; Description; Quantity; Required Date.

6.2.3 The sample order has to be signed by the Purchasing Manager, which is to be sent to the supplier for order confirmation.

6.2.4 A copy of sample order is kept by the Store Supervisor for sample receipt checking.

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6.2.5 Upon receipt of the sample from supplier, the Purchaser confirms its correctness to the sample order and updates the sample receipt records accordingly.

6.3 Product Sample Control

6.3.1 The Store Supervisor ensures all SI/SO (Sample) are with authorized approval by the Sales Manager.

6.3.2 The sample quantity should not affect the normal business orders. Consult higher level of management when necessary.

6.3.3 The Sales Dept carries out SI/SO (Sample) according to the stock availability and charges will be carried if the unit cost exceeds HKD50.00 or the quantity exceeds 10 pieces.

6.3.4 Sales Manager has the discretion to reject any unnecessary sample order arrangement, if thinks appropriate.

6.3.5 The relevant sales staff should follow up & report the subsequent effectiveness of a sample submission to any customer.

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Quality Records Control Procedure			

1.0 PURPOSE

To establish and maintain procedures for collection, indexing, filing, storage, maintenance and disposition of quality records.

2.0 APPLICATION

This procedure is applicable to all quality records used in the Company.

3.0 DEFINITIONS

Not applicable.

4.0 REFERENCE MATERIALS

Section 4.4.3 Form Control Procedure

5.0 RESPONSIBILITY

5.1 The Administration Officer is responsible for the control and maintenance of quality records.

5.2 Respective department heads are responsible for the overall control and disposal of quality records in their areas.

6.0 PROCEDURE

6.1 The Administration Officer maintains and updates a Master List of Quality Records for all departments.

6.2 Respective record holders are responsible for obtaining the quality records and ensuring the completeness and accuracy of data in specified format as stated in Section 4.4.3 Form Control Procedure.

6.3 Quality records are stored in a suitable environment to prevent from damage, deterioration and loss. The storage may be in written form, or files in computer diskettes or storage media.

6.4 The quality records must be properly indexed, dated, filed and stored according to their nature for readily retrieval in case of analysis and demonstration of the Company's quality achievements.

6.5 Unless otherwise specified, quality records are retained for a minimum period of 3 years.

6.6 Upon the Managing Director's consent, quality records can be destroyed after the retention period by the concerned departments.

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Internal Quality Audits Procedure			

1.0 PURPOSE

To examine periodically that quality related activities comply with established procedures and to determine the effectiveness of the quality management system.

2.0 APPLICATION

This procedure is applicable to the assessment of the quality management system within the Company.

3.0 DEFINITIONS

NCR - Non-Conformance Report

4.0 REFERENCE MATERIALS

Section 4.1.1 Management Review Procedure

Section 4.10.1 Corrective and Preventive Action Procedure

5.0 RESPONSIBILITY

5.1 The Managing Director is responsible for approving the Internal Quality Audit Schedule.

5.2 The Management Representative (MR) is responsible for organizing, planning and monitoring the performance of internal quality audit activities.

5.3 Audit team is responsible for carrying out internal quality audits and recording all findings.

5.4 Department Heads are responsible for formulating and implementing audit follow-up actions in their respective areas.

6.0 PROCEDURE

6.1 Preparation of audit schedule

6.1.1 Internal quality audits are performed on a cross-section basis at a maximum interval of twelve months.

6.1.2 At the beginning of every year, Management Representative has to prepare an Internal Quality Audit Schedule for the year that needs approval from the Managing Director.

6.1.3 The Management Representative keeps the original Internal Quality Audit Schedule and must officially inform each department head.

6.1.4 If necessary, the Management Representative can amend the schedule with prior approval from the Managing Director. Again each Department Head must be properly informed in an official manner.

6.2 Formation of audit team

6.2.1 Audits are carried out by employees not having direct responsibility in the area being audited.

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6.2.2 MR organizes an audit team and assigns a team leader before commencement of an audit.

6.2.3 Audit team should include at least 2 auditors including the team leader.

6.2.4 No personnel shall conduct audit without receiving any training on internal quality audit.

6.3 Preparation of audit

6.3.1 MR informs auditee(s) about the audit arrangements including audit time table, areas to be audited and responsible auditors before the commencement of an audit.

6.3.2 Responsible audit team prepares an audit checklist based on quality manual prior to audit.

6.4 Conducting Internal Quality Audits

6.4.1 During the audit, the auditors follow the audit checklist in verifying the specific procedures with documented evidence. If a non-conformance is found, the auditor details the case in the Non-Conformance Report (NCR).

6.4.2 The respective Department Head should evaluate the cause of non-conformance, propose action to be taken and estimate expected completion date (normally within 4 months from the audit) in the corresponding NCR.

6.4.3 MR summarizes all audit findings, tracks corrective action progress, and dates of the completion in the Non-Conformance Report (NCR) which are then passed to the Managing or Executive Director.

6.5 Follow up of audit

6.5.1 Respective Department Head is responsible for implementation of actions proposed. On completion of corrective action, the audit team leader records the status on the corresponding NCR and submits it to the MR for review and verification of actions taken. If the non-conformance cannot be effectively corrected, corrective / preventive action is re-initiated by auditors or MR.

6.5.2 MR updates the satisfactory completion of corrective action and NCR is to be reviewed by the Quality Management System Review Committee during management review meeting (Section 4.1.1 of this manual).

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Training Identification Procedure			

1.0 PURPOSE

To set forth to identify the requirement of training needs and providing training so as to ensure that employees can accomplish their tasks competently.

2.0 APPLICATION

This procedure is applicable to all levels of employees in the Company.

3.0 DEFINITIONS

Not Applicable.

4.0 REFERENCE MATERIALS

Not Applicable.

5.0 RESPONSIBILITY

5.1 The Managing Director is responsible for identifying and approving all external training needs of employees.

5.2 The Administration Officer is responsible for updating training records of employees.

6.0 PROCEDURE

6.1 The training of employees includes orientation and familiarization programs upon joining the Company and, in further if applicable, other job related training programs.

6.2 The aims of training are:

6.2.1 to equip employees with the necessary skills & knowledge to carry out their duties competently;

6.2.2 to develop employees' potential for taking up higher positions and new challenges

6.3 Orientation and familiarization for new employees

6.3.1 The Administration Officer or relevant Department Head/Supervisor is responsible for carrying out orientation briefing and/or any familiarization program for new employees.

6.3.2 The Administration Officer remarks in the Staff Personal Record upon his/her completion of the orientation and familiarization programs.

6.4 Training for existing employees

6.4.1 During the annual performance appraisal interview, the Managing Director reviews and identifies any necessary training for all levels of personnel.

6.4.2 The results of review will be recorded in the Staff Continual Assessment Form.

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- 6.4.3 The Administration Officer coordinates and arranges on-job, in-house or external training courses for identified employees.
- 6.4.4 From time to time, the Department Head/Supervisor can nominate their subordinates to attend any on-job / in-house training / external course to fulfill their job duties.
- 6.4.5 The Department Head/Supervisor should assess the effectiveness of internal training to his/her sub-ordinates and make an attachment to the Staff Continual Assessment Form for the annual performance appraisal interview.
- 6.4.6 Re-training or external training course can be proposed if the prior training has been found unsatisfactory. The Executive Director can order a dismissal if a staff fails to perform properly to the required standard after sufficient training opportunities.
- 6.4.7 If suitable external training is identified, Staff Training Application Form should be submitted by respective staff with the recommendation from his/her Department Head and finally approval by the Managing Director.
- 6.4.8 The Administration Officer is responsible for updating individual training record after the completion of training in the Staff Personal Record.
- 6.4.9 The staff's completion of external training should only be recognized with his/her presentation of a certificate from the relevant organization.

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Post Delivery Servicing Procedure			

1.0 PURPOSE

To set forth the procedure to serve and help customers after the sales of goods by the Company.

2.0 APPLICATION

This procedure is applicable to control the return of defective goods sold by the Company.

3.0 DEFINITIONS

4.9.1 Control of Non-conforming Product Procedure

4.0 REFERENCE MATERIALS

Not Applicable.

5.0 RESPONSIBILITY

5.1 The Sales Manager is responsible for identification & investigation of any quality failure cases.

5.2 The Executive Director approves any return of defective goods and their replacement, if required.

6.0 PROCEDURE

6.1 Upon receipt of returned goods request due to product quality failure, the Sales staff checks the date of purchase and relevant invoicing particulars. He/she then reports to the Sales Manager.

6.2 Sales Manager should investigate the case and confirm the underlying reasons.

6.2.1 Only products with inherent defects from official supplier's specification are considered to be a case quality failure.

6.2.2 Return of goods will not be accepted due from customers' fault; such as wrongly purchase, mis-application or mis-handling.

6.2.3 If goods had been used, a detailed quality check report is required from customers to illustrate the fact that the stating quality issue was strictly due to its inherent defects.

6.2.4 Sales Manager needs to inform the Executive Director with relevant documents and, if possible, seek or propose alternate satisfactory solution.

6.2.5 If the goods return is being requested, Non-Conformance Report (Defective Goods) should be prepared by the Sales Manager and filed by Purchasing Dept which must gain prior approval from the Purchasing Manager.

6.3 The Sales Manager issues & signs "Sales Return" in MAC to confirm the return of defective goods either for replacement or refund, being approved by the Executive Director.

6.3.1 In case for subsequent refund arrangement, Credit Note from Accounting Supervisor will also be issued upon the receipt of signed "Sales Return" from the customer.

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6.3.2 For immediate or subsequent goods replacement, the “Sales Return” by the Sales Manager authorizes the Store Supervisor to advance a replacement of goods from the store.

6.4 Customer keeps his own record while a copy of the “Sales Return” is needed to be stamped and signed confirmation upon the return of or replacement for the defective goods.

6.5 The signed copy of “Sales Return” should then be an internal record in the Sales Dept; after being served for the issuance of a Credit Note by the Accounting Supervisor if a refund is applicable.

6.6 The Sales Manager must monitor and assure the whole process to be completed before his/her committed date.

6.7 To return the defective goods back to the suppliers, a Non-conformance Report (defective goods) is required from the Sales Manager stating clearly the reason of return, and the customer’s quality report, if necessary, should be attached.

6.8 The Non-conformance Report (defective goods) being approved by the Executive Director is then passed to the Purchasing Manager for goods return proceedings, per section 4.9.1 Control of Non-conforming Product Procedure 6.3 Goods Return to the Suppliers.

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Statistical Techniques Procedure			

1.0 PURPOSE

To set forth the procedures in identifying the need for statistical techniques and control the application of the identified statistical techniques.

2.0 APPLICATION

This procedure is applicable to areas where statistical techniques can be applied in the Company.

3.0 DEFINITIONS

Not Applicable.

4.0 REFERENCE MATERIALS

Not Applicable.

5.0 RESPONSIBILITY

5.1 The Executive Director is responsible for identifying the need and implementing the application of statistical techniques.

5.2 The Administration Officer is responsible for updating training records of employees.

6.0 PROCEDURE

6.1 Relevant data is collected and analyzed in regular basis with objectives for determining the suitability, effectiveness and opportunities for continual improvement of the quality management system. The data analysis objectives are for

6.1.1 assessing customer satisfaction levels

6.1.2 determining level of conformity to customer requirements

6.1.3 gathering knowledge on trends associated with products and processes in order to initiate appropriate preventive action

6.2 maintaining awareness of the performance of suppliers and subcontractors and request them to take action to correct or improve performance

6.3 From time to time, the Executive Director has to review the overall application and to identify any suitable statistical technique applicable to the Company.

6.4 Executive Director issues an internal memo to notify the user about the type of statistical techniques which are currently used or will be used, their application areas and the availability of associated documented procedures.

6.5 Respective user should implement the identified statistical techniques and provide support in the use of them including preparation of relevant documented procedure if necessary.