

Third party report No.: **10191061729-BV** Score: **72.1%** FCCA Report No: **WGSFCCA09-CN201905-36138875-BV**

SUBJECT: FCCA RATING **FINAL AUDIT RESULT: PASS**

Audit Date: May 20, 2019

We would like to thank you for your cooperation during our Factory Capability & Capacity Audit held last **May 20, 2019** (date) at **Haimen Jinqiu Sports Co., Ltd. / 36138875** (Factory Name/ Factory ID) under **COINUS INTERNATIONAL LIMITED / 36123481** (Supplier Name /Supplier ID). The above stated factory received a " **72.1%** "rating. This factory has Non-Conformities observed during the audit and/or Conditions that were deemed to affect Production and Quality process as well. Please work closely with your factory to remedy these Non Conformities to prevent future rejection. The following conditions apply to this factory:

- The completed Corrective Action Plan (CAP) by factory management must be accomplished and sent to third party office, **2** days from receipt of audit findings
 - Follow-up audit (Announced or Un-announced) will be conducted within **2** days from factory submission of Corrective Action Plan (CAP)
 - It is also expected that the Supplier on record will closely assist and monitor assigned factory in performing action plans and completion dates indicated.
 - **Please note that factory management must strictly implement Corrective Action Plan (CAP) based on target completion dates stipulated on the "Quality Summary" form accomplished by factory. Failure of factory to rectify observed Non-Conformities that widely contributes to factory's poor performance and un-acceptable quality may result to cancellation of order/s and will later be reviewed with Merchandising Team if future orders would still be placed.**
- Thank you for your usual assistance and support for WMGS QA's Factory Capability and Capacity Audit (FCCA) Program.

Sincerely,
Juno Wang

3PS Factory Auditor/Supervisor

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Score Summary

Category	Total Possible Points	Total Actual Points	Total N/A	Total Adjusted Points	Total Percentage
1.0 Factory Facility & Environment	195	129	6	189	68.3%
2.0 Quality Management System	174	94	60	114	82.5%
3.0 Incoming Material Quality Control	216	110	72	144	76.4%
4.0 Process and Production Control	264	154	30	234	65.8%
5.0 In-House Lab Testing	72	48	0	72	66.7%
6.0 Final Inspection	84	72	0	84	85.7%
7.0 People Resources and Training	75	51	0	75	68.0%
Total Points	1080	658	168	912	72.1%
Final Audit Score	72.1%				
Rating	Result		Remark		
90 - 100%	Good		Critical point must be at least "1" score		
60 - 79%	Acceptable with corrective actions		Critical point must be at least "1" score		
0 - 59%	Unacceptable				

Executive Summary

<p>Basic Information: Haimen Jinqiu Sports Co., Ltd. was established in 2006. The factory was located at No.17, Xinyu Village, Yudong Town, Haimen City, Jiangsu, China. They were dedicated in manufacturing Balls (Soccer Balls, Volleyballs, Rugby). The factory occupied the space of 4,500 square meters, and presently owned 90 employees. Main markets were in Europe (40%), North America (30%), Asia (10%), etc. Major customers were Walmart, Disney, LOTTO, Nestle, etc. Machinery here were general and not so advanced. Its efficiency, productivity and capability ranged Medium in the similar Balls industry.</p>
<p>Capability: The factory had 2 building blocks with 1 or 2 floors for production and warehouse. Production area was about 2,500 square meters, and warehouse area was about 1,500 square meters. Main machines included 2 die cutting machines, 5 screen printing lines, 35 sewing machines, 2 inflation machines, 6 deflation machines, etc. Machinery maintenance schedule and records were available. Inspection / testing equipment were calibrated. Main processes included Die Cutting, Screen Printing, Sewing, Bladder Inserting and Sealing, Finishing and Packing. No sub-contractors were used. Samples were made in the factory. All the samples would be approved by customer. New products were always reviewed and approved by internal authority, and finally approved by customer.</p>
<p>Capacity: For new items, the sample lead time was about 7 days, and the production lead time was about 30 days. The production capacity was about 150,000 pieces / month. Peak season was not obvious. There were total 4 QA/QC staffs in the factory, 1 for IQC, 2 for IPQC and 1 for FQC. The QA/QC staffs were properly trained and independent from production division. Impact test, Leakage test, Metal detection test, Color evaluation, etc. were conducted and recorded in house. Some complex tests, e.g., Colorfastness to Light Test, Colorfastness to crocking test, Seam Strength Test, etc. were not able to be conducted internally and subcontracted to external authorized 3rd party when clients required.</p>
<p>Quality System: Quality management system including quality manual, procedures, and instructions was established and implemented, and the relevant records were provided for verification. The factory was accredited with certificate of ISO9001:2015. Some improvements need to be taken for those weak points, for example: - The factory did not keep temperature and humidity monitoring records. - The IQC inspector was not familiar with the inspection sampling plan for incoming countable raw materials inspection. - The factory did not keep the product quality review, meeting or discussion records for all new products, high value, high volume or high risk items. - Common defects photos were not displayed at die cutting operation for workers and QC reference. - The factory did not keep the on-time ship performance monitoring records for at least 12 months. Generally, the factory's management was co-operative and demonstrated willingness for continuous improvement.</p>
<p>CONCLUSION/RECOMMENDATION: ** Per on site observation, document review & employee interview in the factory, the factory production facility and machinery were generally maintained in good condition and suitable for Balls (Soccer Balls, Volleyballs, Rugby) production. The factory was maintained in good management practice of QMS system. ** Some minor Corrective Actions should be taken for those weak points as listed in the CAP report of the factory assessment. ** The factory have adequate capacity and capability to produce Walmart products: Balls (Soccer Balls, Volleyballs, Rugby) for LATAM/CANADA markets.</p>
<p>0* score critical check points are: Nil</p> <p>1* score critical check points are: Nil</p>