

Dear Ms. Qian:

Thank you for your cooperation & efforts during Shell Technical Audit. The Shell Project teams, EPC contractors, distributors are informed about the scope and results of the qualifications through Shell "TAMAP" list (Shell Technically accepted Manufactures and Products).

The inspection showed that Jiangsu Yinhuang Precision Steel Tube Co., Ltd, Located in Yixing, Jiangsu Province is almost ready to be used for orders by Shell companies.

Prior to ordering, the findings listed below as 'high' and 'medium' shall be addressed. This shall be confirmed by a visit from a Shell representative.

Orders in the following sizes and materials may be considered:

- ASTM A312 and MESC SPE 74/008, seamless stainless steels in the 300-series
- Outer diameter up to 114 mm produced by the cold rolling process.

Accepted range	
Materials:	300-series stainless steels as per MESC SPE 74/008 (seamless only)
Sizes:	DN 15 to DN 100 (NPS ½ to NPS 4)

	(114 mm OD max)
Pressure ratings:	Upto and including Class 2500

Orders in larger sizes may be considered when the new plant has been audited and approved.

Audit findings	Classification
Using of tap water without having certified the chloride content of the tap water. Demineralised water is also sometimes used.	High
NDT, heat treatment, mechanical test procedures not on the shop floor, where they are meant to be. They are available but they "don't want to leave controlled copies on the shop floor".	Medium
The finished stainless steel pipe is transferred to the inspection area by carbon steel cradle, this was witnessed twice (classified as low as it does not involve the accepted product range).	Low
A large pipe was levered off the cold drawing machine with a crowbar from one end, crashing it into the other pipes that were in a cradle approximately one meter below.	Low
Couldn't show that the argon quality used for spectrograph was correct (99.99% vs 99.999%); calibration sticker was not issued by correct	Low

authority	
Grinders are neither wearing safety glasses nor ear plugs.	HSSE, medium
Witnessed a worker climbing over the pipe on the hot side of a working annealing line. Suggest to put in stairs since they are long lines.	HSSE, medium
Hydrotest facilities are available up to 40mm OD. Above that, flanges need to be welded to the pipe.	Observation

The Qualification Audit Results is like a photo, on the day of the audit we have verified some of the aspects in your company but the situation might be changed in the period after the audit.

For this reason the results of the Audit should be verified during QA/QC inspection visits on orders after the audit and the scope of Inspection Test Plan will be adjusted to the audit findings and the level of confidence Shell China Sourcing has in the new supplier.

We have highly appreciated your efforts and assistance during the audit. We would appreciate it if you inform us of future developments in your company.

Meanwhile, as introduced previously, you should not only comply with the international standards, but also all the additional requirements of Shell, which are specified in the MESC buying description for your products. This means that all products will be ordered against the latest revision of the MESC, vendors must ensure they register with Shell for MESC access and manufacture the products fully in accordance with the latest revision of the MESC.

Please refer to information available through the Shell CMT MESC website for the latest revision of the MESC. There is an annual fee for access of approximately €500.

To subscribe to Shell MESC Web please contact:

Jolanda van der Deijl GSEMH
CMT/MESC/E-SPIR Business Consultant

Office number: +31 70 377 5186

Email: Jolanda.vanderdeijl@Shell.com

If any question, please let me know.