

Company Profile

1. Company Profile

1.1 About SHANGHAI SUGAR,CIGARETTE & WINE(GROUP) CO.,LTD

Founded in 1992 and located in Shanghai, is an enterprise mainly engaged in sugar and alcohol. Shanghai Sugar and Tobacco Group has formed an industrial pattern with logistics distribution, retail chain, food processing, brand agency, and e-commerce as the main business formats, and has entered the fields of banking and insurance, securities investment, hotels and catering. The enterprise has three core main businesses: yellow wine industry, sugar industry, and brand agency industry, five cultivation industries including food raw materials, integrated services, tea, fillings, fruit wine, and a professional retail chain system for food.

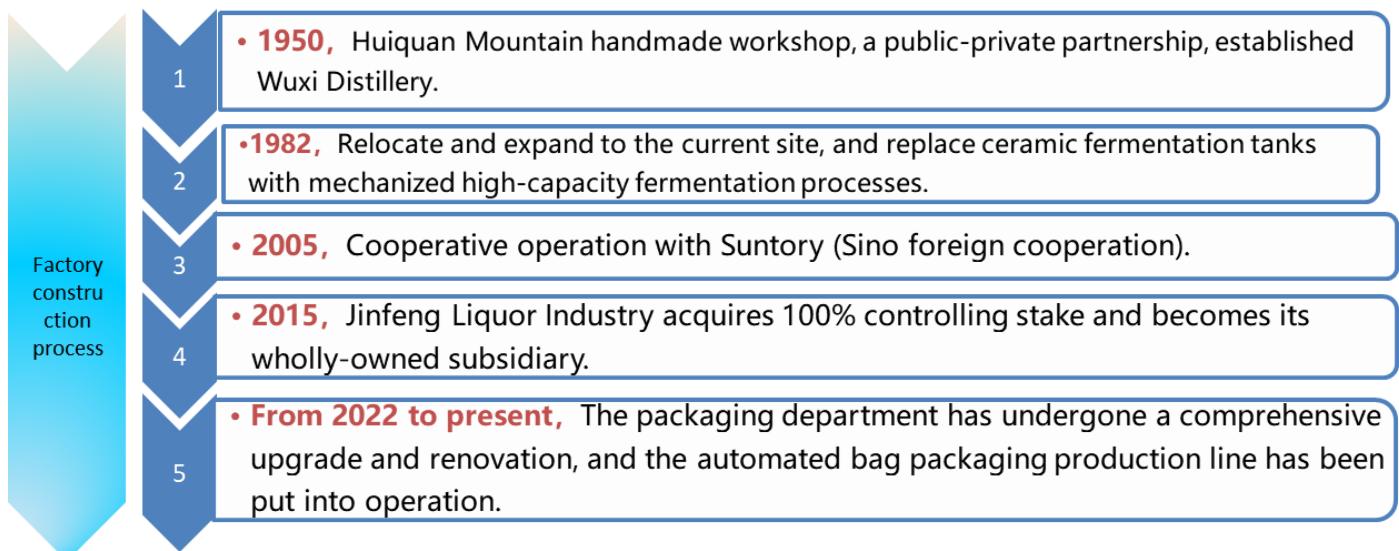
About Shanghai Jinfeng Wine Co., LTD.

Shanghai Jinfeng Wine Co., LTD. is an enterprise in the Huangjiu industry sector of the group, established in 1992 and headquartered in Shanghai. It is a listed company that produces and operates Huangjiu and has a cross regional layout in the Yangtze River Delta. It has three production and manufacturing factories located in Jiangsu, Zhejiang, and Shanghai, and Wuxi Zhentai is a production base located in Jiangsu.

1.2 About WUXI Plant

Formerly a folk handmade brewery located at the foot of the Huiquan Mountains, Wuxi Distillery was established in the early 1950s through a public-private partnership. As a designated mechanized new process production model factory for Huangjiu by the former Ministry of Light Industry, Zhentai has undergone several institutional reforms over the years and has continuously developed and grown. In 2015, it joined Shanghai Jinfeng Liquor Industry Co., Ltd. as its wholly-owned subsidiary. At present, the main products include: Huiquan brand Huangjiu, Xishan brand Huangjiu, Suyou brand Huangjiu, and Hejiu.

Company history

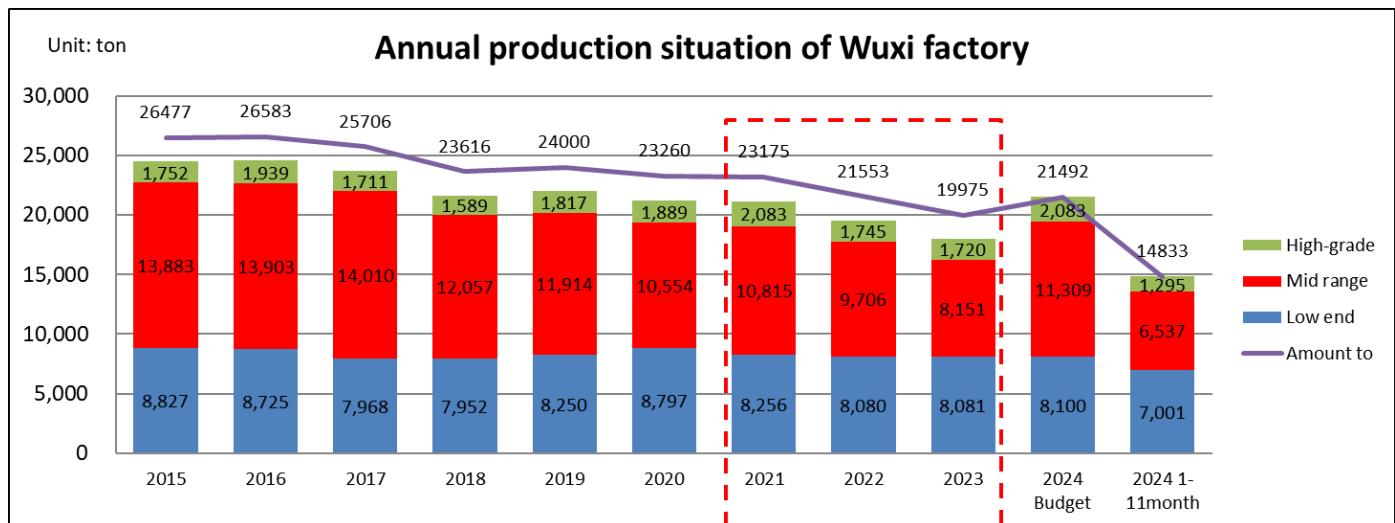


1.3 Output

2015-2024 Output

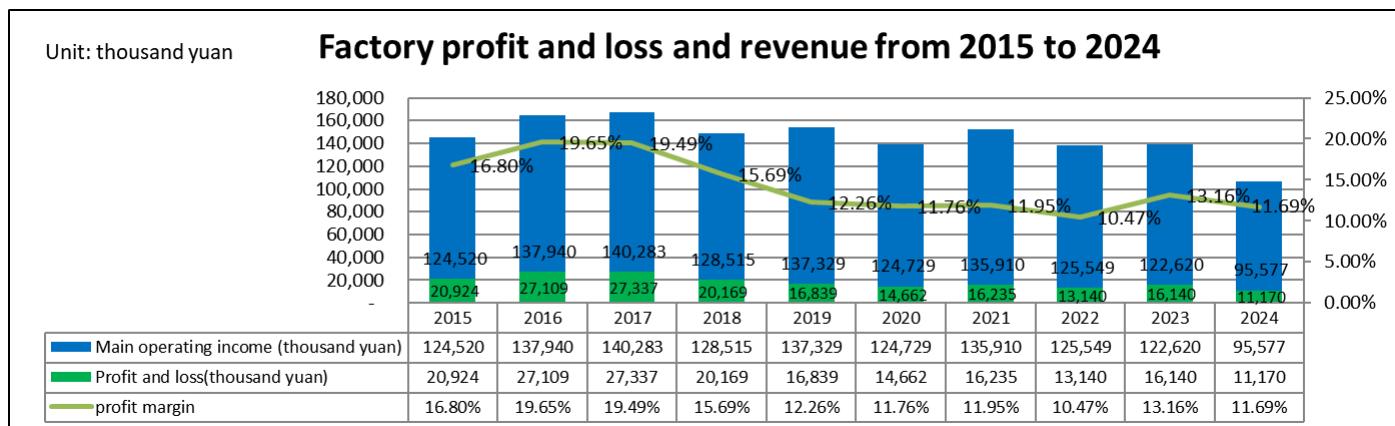
This is our annual production situation. The blue ones are ordinary production, the red ones are mid-range production, and the green ones are high-end production.

As of November 2024, the production capacity is 14833 tons. Due to the significant impact of the epidemic on the national economy from 2021 to 2023, the overall trend of the liquor industry is shrinking and declining due to policy changes. The yellow wine industry, which accounts for a relatively low proportion in the overall liquor industry, has also been affected to a certain extent. We will also strive with the production center to produce new products, increase contract processing products, and improve production capacity in the future.



1.4 Profit, loss, and revenue

2015-2024 Profit, Loss, and Revenue



1.5 Products

Our factory's products are divided into bagged products and bottled products, with a total of 58 varieties classified according to high, medium, and low-end.

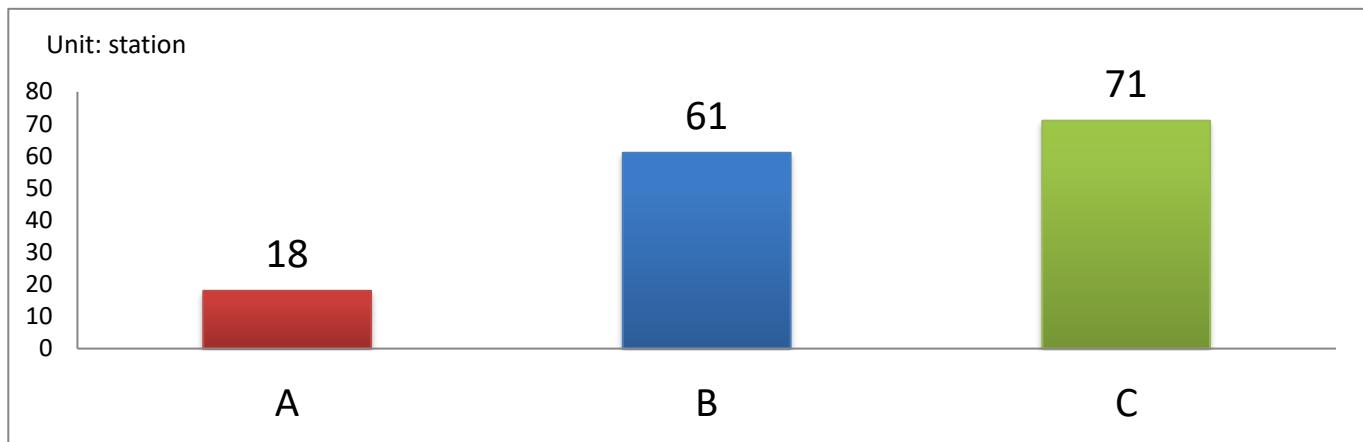
Category		Product images									
Bottled products	High-grade (35)	  									
		  									
		   									
Bagged products	Low end (1)										

1.6 Equipment Introduction

The factory's equipment includes 37 peripheral power and energy supply devices, sewage treatment systems, 59 yellow wine brewing, fermentation, storage, and filtration devices in the brewing workshop, 15 filling and 39 post packaging devices in the packaging workshop.

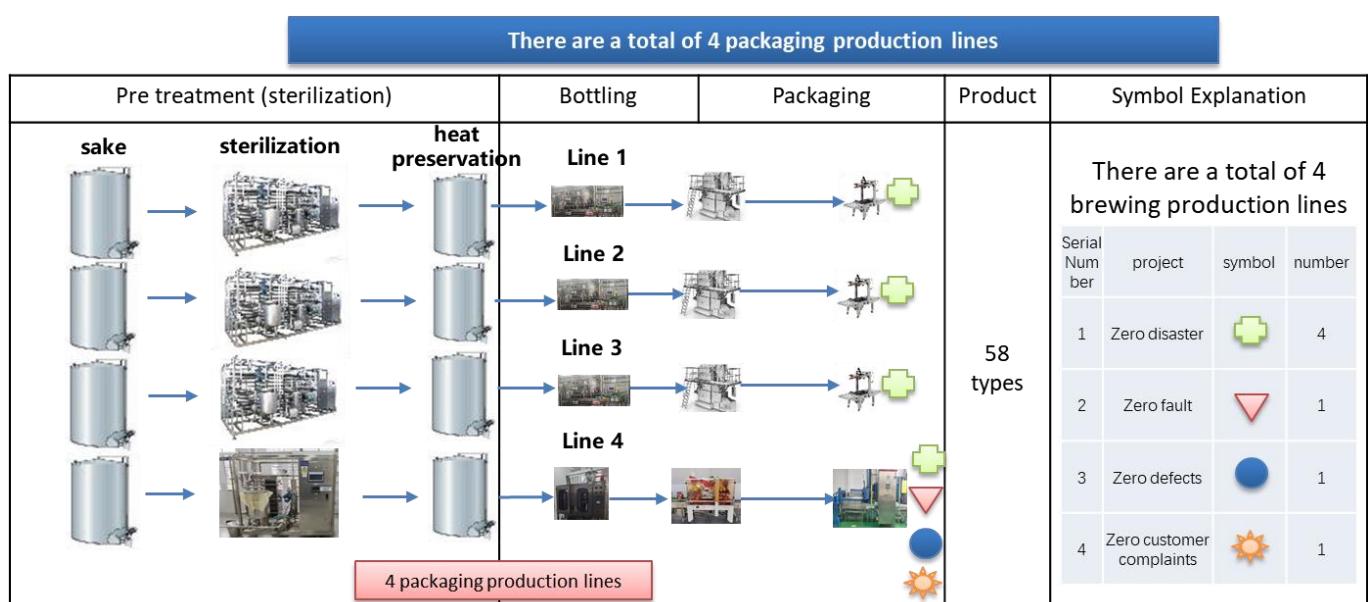
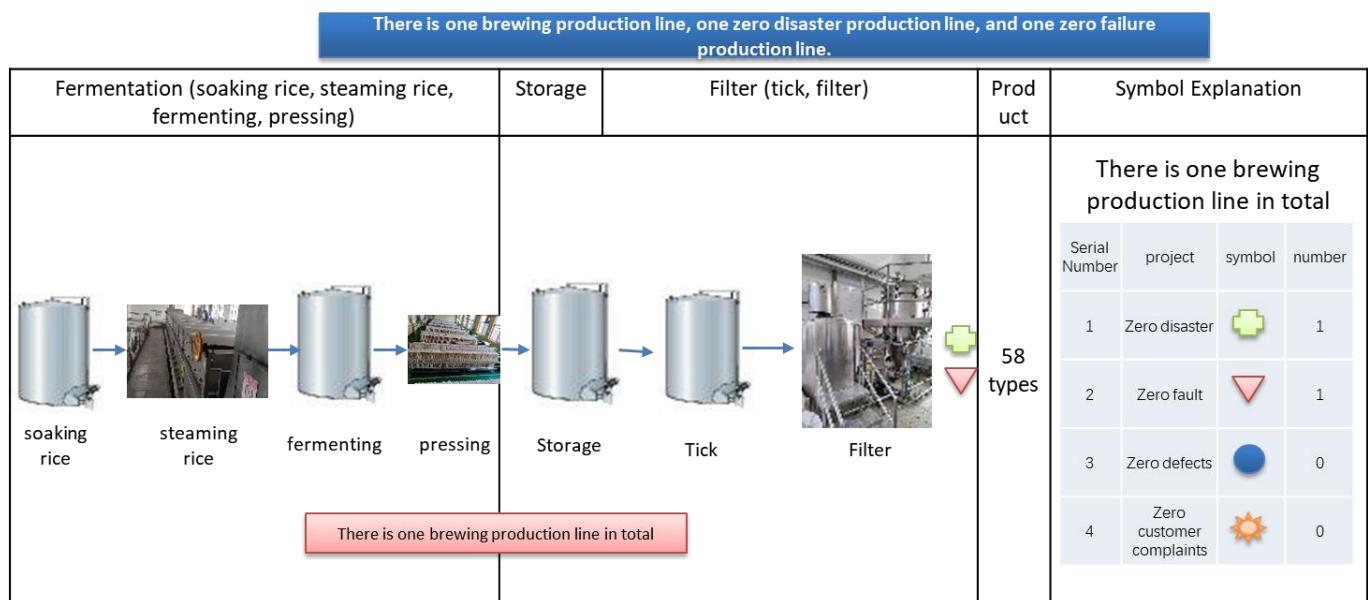
Type	Peripheral unit	Production equipment		
		Pretreatment	Bottling	Rear packaging
Picture				
Number of devices	37	59	15	39
Characteristic	High energy consumption loss and low energy efficiency.	Most of the pipeline valve interfaces and switches are manually operated, which is prone to contamination, errors, and high labor intensity.	Bottleneck point, existing equipment is still unstable, with short stops and malfunctions.	There are many manual tasks and quality inspection points, which are prone to errors. Due to manual container handling, the labor intensity is high.
TPM activity content	AM - Self maintenance activity SHE Energy saving Self Maintenance Match corresponding energy consumption based on workshop usage to reduce waste.	Prevention of errors and automation import.	AM、PM、QM	Prevention of errors and automation import-Automation replaces manual work to prevent errors.

We have 150 machines, which are divided into A, B, and C categories according to influence on production, quality, cost, safety, and delivery.



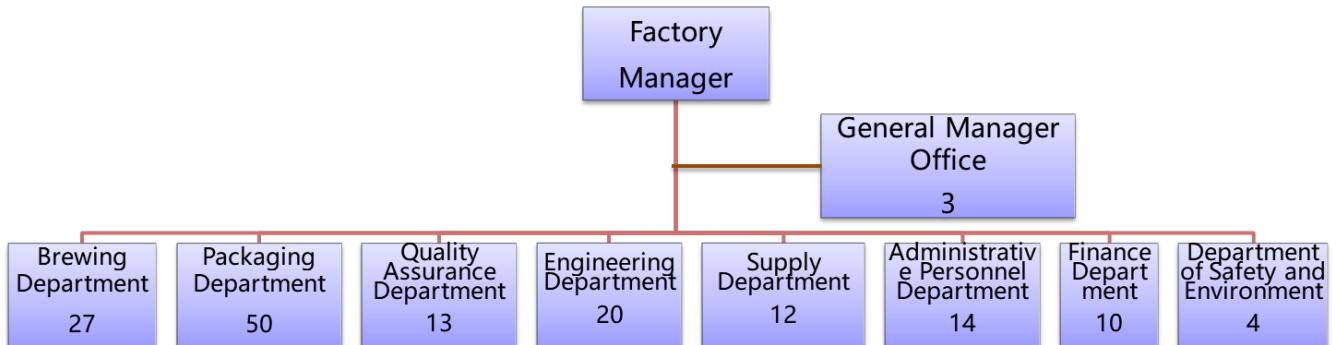
1.7 Introduction to production line

Our yellow wine production is divided into two major process modules, brewing and packaging. The production line is arranged according to these two process modules. Below are the production lines for brewing and packaging.



1.8 Management Organization

All departments of the plant are promoting TPM activities.



2. Our TPM journey

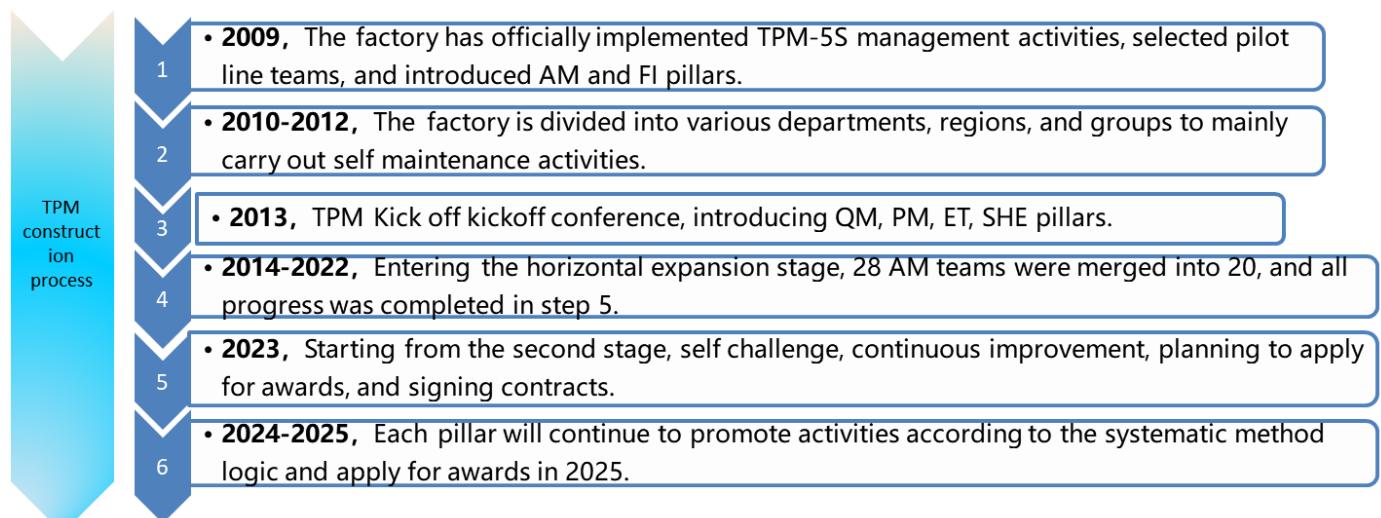
2.1 Reason of promoting TPM

Internal reasons: From 2009 to 2023, the factory has been continuously advancing for 14 years, challenging itself and continuously improving;

External reasons: Headquarters support, planning for award application work, using Wuxi Zhentai Factory as a pilot, promote this model to other factories, guidance from TPM project department in production center, initiation of contract signing.

2.2 Milestones

Our TPM journey began in 2009 when the FI and AM pillars, as well as the AM pilot team, were established. In 2013, we held the TPM kickoff conference and officially launched TPM, establishing the four pillars of PM, QM, E&T, and SHE. In 2023, we embarked on the second phase of self challenge and improvement.



3. Activities Benefits

3.1 Tangible Results

Poportion of Investment And Benefits (thousand yuan)				
Years	2009-2022	2023	2024 1-11 month	Total
Investment	289	47	30	366
Benefit	2168	297	201	2666
Benefit rate	Benefit rate =Benefit Amount/Investment Amount=7.3			

3.2 Intangible Results

P	With progress of TPM activities, employee's skills and machine performance improved gradually.
Q	Quality awareness and mindset are improved.
C	Team activities contributed to reduction of overall cost.
D	Satisfied delivery requirements and realized fast response to market demand.
S	Built a safe, comfortable, and green factory.
M	Improved working environment and better remuneration contributed to higher morale and lower turnover rate of employees.

4. Key success factors

We broke down our vision into success factors and then into pillar KPIs. Our TPM activities were carried out under the supervision of TPM Steering Committee and participated by all employees. We integrated TPM activities in daily activities to achieve KPI targets and the targets of different departments. We carried out motivation activities to make employees enjoy the fun and benefits of TPM. We provided awards and material incentives to employees and encourage them to participate in TPM activities. We believe this is essential for promotion and success of TPM activities. We believe that through TPM activities, we can realize 100% participation and continuous improvement, and eventually become a world-class factory.

5. Outcome Of The Activity

<u>TPM Award Assessment Achievement Sheet</u>					
Company & plant name	WUXI ZHENTAI WINERY CO.,LTD				
TPM Slogan/Objectives	Continuously improving, reducing costs, and enhancing physical fitness				
▼ Please fill in the range of data you are collecting ▼					
Category	Index	Unit	BM (TPM Started or last time awarded)	Actual Status	Target
Enter the year →			2013	2024	2025
S	Number of work-related accidents requiring days off work	Cases/ year	0	0	0
S	Number of work-related accidents not requiring days off work	Cases/ year	0	0	0
P	Productivity for main products	Ton/person/day	0.44	0.5	0.51
P	OEE (or Overall Plant Efficiency)	%	30	71	75
P	Number of breakdowns	Times/year	740	40	20
P	Number of tags raised	Number	45000	95508	97008
Q	Number of customer complaints	Number/year	81	38	35
Q	In-line defect rate	ppm	11920	3886	2731
C	spirit yield	%	75	91.8	92.1
C	Packaging material yield	%	98.91	99.55	99.8
C	Profit	Thousand yuan	26754	11170	25837.5
D	Delivery performance	%	100	100	100
M	Number of specialists	Number	0	32	38
M	Number of core talents	Number	8	32	40
M	Number of Employee Suggestions	Number	518	4750	4900