



Guideline of Company Profile

Guangxi Yili Frozen Food Co., Ltd.



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Autonomous Region



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Chapter 1 Brief introduction to Yili Group& Factory

1.1 Brief introduction to Yili Group

As the largest dairy enterprise with the most comprehensive product lines in China, Yili Group has scored a total revenue of 123.17 billion yuan in the year of 2022, making it the first Asian dairy enterprise to ever achieve an annual revenue over 100 billion yuan. Yili group now stands at the top position among Asian dairy enterprises, ranking the fifth place in the world.



Chart1.1 Yili Group’s development

1.2 General situation of the factory

1.2.1 Brief history of the factory

Guangxi Yili Frozen Food Company Ltd. is located in Nanning City, Guangxi Province of China, covering an area of 77 thousand square meters, with a total investment of 400 million yuan. The factory is currently equipped with 8 production lines, including 3 quick-freeze tunnel line and 7 stripped color popsicle production line, with an annual production capacity of 60 thousand tonnes of frozen foods.

Here’s a brief history of our factory’s development:

2013 officially went into operation.

2015 Obtained the second standard of National Production Safety.

2019 Official introduction of TPM into the factory

2021 Obtained certificate of ISO 14000, FSSC 22000 and was awarded the

honorary title of National-Level Green Factory.

2022 Launching the authentication project of JIPM

1.2.2 Factory Technique.

- The basic major technological process is as follows:

Ingredient reception → Burdening → pasteurization/homogenization → Emulsification → Congelation/Priming → Freezing/coating → Packaging → Packing → Storage/Shipping.

■ Ingredient Reception



Acceptable ingredient will be delivered to the factory for examination and stored for production if it's deemed up-to-standard.

■ Burdening



Putting in ingredients according to the requirements, and mix evenly sugar, milk power, water and fat with a temperature of 60-65°C

■ Pasteurization/homogenization



Shearing the mixed large-particle material liquid through pressure to make the material liquid more delicate, and sterilizing the material liquid through high temperature to cool down for further use. Homogeneous pressure: 100-100kpa

■ Emulsification



Further emulsifying the fat, increasing the viscosity and foaming of the material and liquid, shortening the freezing time, making the product texture thick, improving the organization of the ice cream; Temperature stays within 2-10°C

■ Congelation/Priming



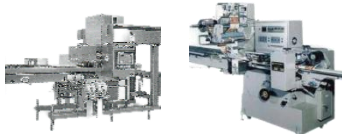
The semi-solid liquid with high viscosity is produced by continuous cooling and scraping of the liquid through the freezing cylinder and scraper, and is poured into the mold by the priming car

■ Freezing/Coating



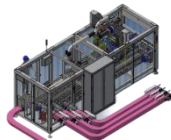
The refrigerant is used to finalize the material liquid on the mold, and the product is pulled out from the mold by the manipulator and dipped into the chocolate liquid to wrap the semi-finished product. Coating temperature stays within 28-38°C

■ Packaging



The semi-finished products are packaged with auxiliary materials such as bags, cups and so on, and processed by jet coding to become finished products that meet the requirements; Good sealing and complete packaging is required

■ Packing



Loading the product into the outer box according to the product specification; The packing quantity needs to be accurate and neatly placed

■ Storage/Shipping



The products will be sent to the cold storage after packing, waiting for transfer and selling; Storage temperature stays below minus 22°C

1.2.3 Factory Equipment & Products

Our factory boasts 10 production lines, including 3 quick-freeze tunnel lines and 7 colorful ice-cream production lines, with a daily production capacity of 300 tonnes (see chart 1.2)

quick-freeze
tunnel lines



colorful popsicles
production lines



Chart 1.2 facilities

We have 4 major serial products including popsicles, ice creams and more, with 39 items in total. (See Chart 1.3)

製品シリーズ	アイスマルク(12品目)	アイスクリーム(18品目)	
乳固形分	全乳固形分≥20%	全乳固形分≥30%	
生産量の割合	30.27%	30.54%	氷菓シリーズ(7品目) 全乳固形分≥11% 36.17%
バイターライン 			ラクトアイス(2品目) 全乳固形分≥16% 3.03%
トンネルフリーザライン 			

Chart 1.3 Product Lines

1.2.4 Factory Architect

The factory is comprised of 10 departments, including Production Department, Facility Department, Quality Department, Safety Department and more (See Chart 1.4)

工場長 郭方曉	部門	社員数	年間操業期間	日常操業時間	直接社員勤務体制	1シフト作業時間				
	10	正社員:351名 派遣社員:296名	12月から翌年8月	昼勤+夜勤	3シフト	12時間				
安全部 部門長 徐計良	品質部 部門長 周志鵬	製造部 部門長 李潤龍	設備部 部門長 張奇林	TPM推進部 部門長 趙恩斌	人事部 部門長 周寧	管理部 部門長 玉潔偉	財務部 部門長 馮広波	調達部 部門長 于長龍	物流部 部門長 趙山林	
正社員割合	100%	100%	60%	100%	100%	100%	17%	100%	63%	100%
派遣社員割合	0%	0%	40%	0%	0%	0%	83%	0%	37%	0%

Chart 1.4 Factory Architect

1.2.5 Staff Information

We have 647 staff in total, with worker at the production line making up 90%. 40% percent of our staff have at least an education in college for professional training. 42% percent of our staff has a working age over 5 years, and those younger than 40 years of age account for three quarters of our labor force. Here in our factory we practice production pattern of THREE shifts, with 12 hours as a shift.

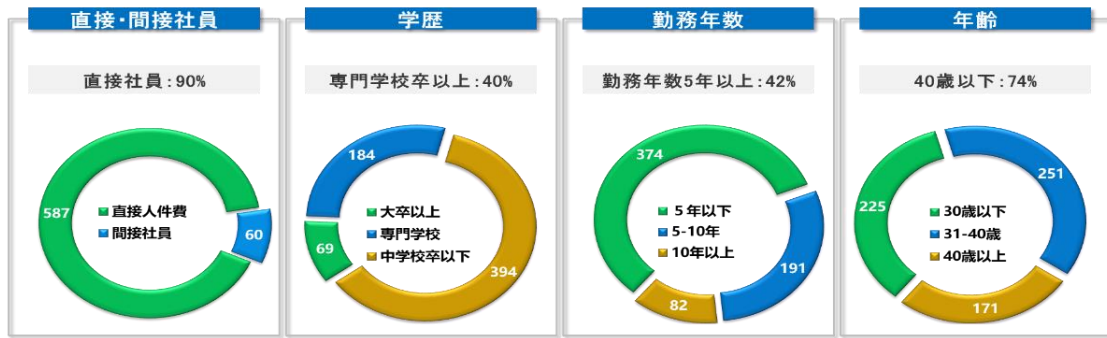


Chart 1.5 Staff Information

Chapter 2 TPM: a milestone on our journey to excellence.

2.1 Reasons for introducing TPM

Yili group has a vision of becoming the most trustworthy provider of healthy food in the world. And with that vision in mind, we have set out to become a leader in terms of frozen-food/drink industry value while at the same time setting a safety paradigm and improving both food quality and production efficiency, thus achieving the most cost effective way where all members benefit from a rise in value and environment risks are kept within a low range. (See Chart 1.6)

工場のビジョン:

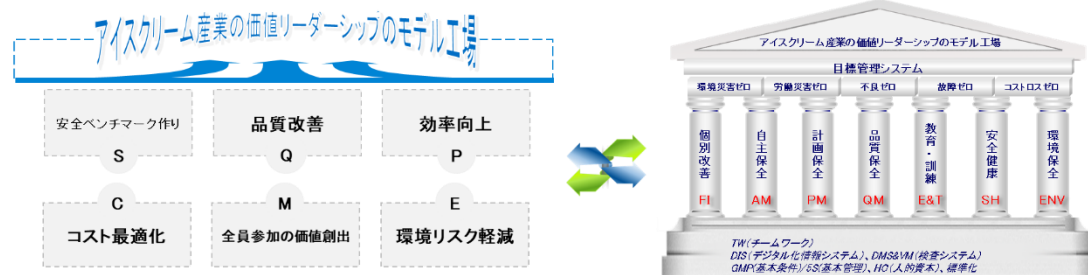


Chart 1.6 Factory Strategy.

2.2 TPM implementation/application history

In 2018, part of TPM tools and philosophy were introduced into our factory. We conducted a campaign to improve groups in order to lay a foundation for TPM implementation.

2019 was the year of the official introduction of TPM into our factory, which,

after 3 years of function, has helped with the steady improvement of factory's performance.

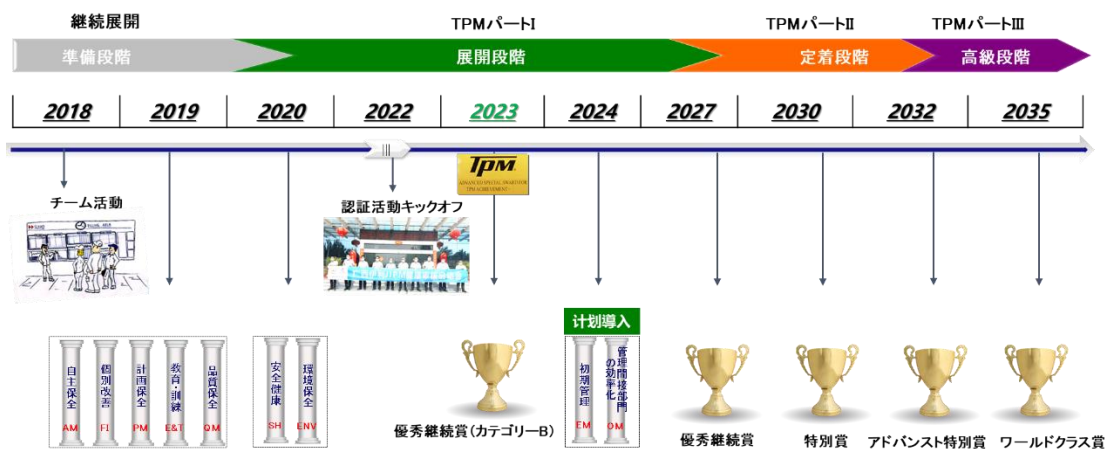


Chart 1.7 Factory's development after introducing TPM

Chapter 3. Benefits shipped.

3.1 Tangible Result as demonstrated in performance improvement.

We have seen a remarkable rise in our performance thanks to TPM. We have managed a perfectly clean record in terms of safety accident, food security accidents and environment concerns, with production value, profit and customer satisfaction continuing to grow.



Chart 1.8 Tangible Results

3.2 An improvement in employee participation and working atmosphere

TPM welcomes all to participate in its activities, with 1536 lessons, and 30151

reasonable suggestions and 29186 labels. We have seen a increase of employee participation, which now stands at 94.70%.(see chart 1.9)

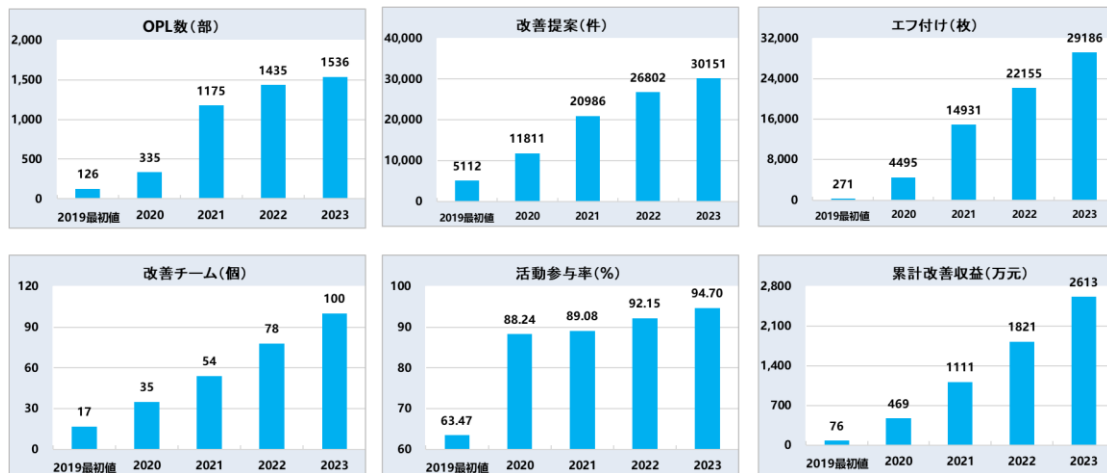


Chart 1.9 TPM accomplishments

3.3 Other intangible results

Factory now possesses more confidence in following a world-class management pattern and spreading TPM out to all aspects of the factory.

Under the development philosophy of TPM, we see a raise in employer’s quality, safety awareness and the ability to identify risks.

Digitization allows the factory to better identify major loss and better grasp the opportunity to improve.

A more scientific and reasonable cultivation system enables the employee to develop a thinking ability that allows them to tackle problem in a systematic way.

A more orderly manufacturing site and more comfortable working environment has worked magic on boosting the morale amongst employees.

Regular pillar and group activities has brought cross-department work more possible and efficient

Chapter 4 Keys for success

- Managers’ Attention on and Persistence on TPM
- Closer cooperation among departments



- Combination of TPM activities and daily routine.
- Constantly refining based on standard measures
- Setting up TPM incentive mechanism to involve more people.

Chapter 5 Performance and Achievements

TPM Award Assessment Achievement Sheet

Category	Index (Calculation Formula)		Unit	Kick off/ TPM Started	Actual Status 2022	Actual Status 2023
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		Parts/Operator hours	165	223	242
P	OEE (or Overall Plant Efficiency)		%	66.90%	81.94%	84.28%
	Availability		%	89.70%	92.07%	92.13%
	Performance Rate		%	75.16%	89.38%	91.78%
	Quality Products Rate		%	99.23%	99.57%	99.68%
P	Number of breakdowns		Breakdowns/ year	155	84	74
P	MTBF		Hour	312.1	474.6	507.6
P	MTTR		Hour	0.92	0.87	0.66
Q	Number of customer complaints		Number/year	7.0	7.0	7.0
Q	In-line defect rate	Scrap	%	0.75	0.32	0.32
		Scrap and rework	%	0.77	0.33	0.33
C	Cost index		Cost/Unit Cost/Kilogram	6.80	7.50	7.69
D	Production Lead time		Days	11.5	9.4	9.1
D	Delivery performance		%	100	100	100
S	Safety index		Accidents per 100,000 operator hours	0	0	0
M	Number of Employee Suggestions		Number/year	5112	5816	3349
Other	<Specify achievements not expressible in numerical terms> 1. Do you have a program where all employees can participate in TPM?					



	<ol style="list-style-type: none">2. Do you have a program allowing employees to be recognized their achievements?3. Are top management involved in the audit/verification of completion of TPM pillar steps?4. Are all pillar activity boards displayed and reviewed by top management?
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Note: Have the indices covered all important items related to PQCDSM measures being undertaken in the entirety of the subject to be assessed. Note all indices in the TPM Activity Report. Where your specific indices vary from those above attach relevant data.