

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this Document in connection with our Company and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“active members”	registered members who complete at least one transaction in a given period
“AGV”	automated guided vehicles
“AI”	artificial intelligence
“ARPU”	average revenue per user
“cash conversion cycle”	The cash conversion cycle is calculated by inventory turnover days added by trade receivables turnover days, then subtracting trade and bills payables turnover days
“CAGR”	compound annual growth rate
“Chinese New Year”	a festival that celebrates the beginning of a new year on the traditional Chinese calendar
“first-tier cities”	Beijing, Shanghai, Guangzhou, Shenzhen
“franchised stores”	stores operated by individuals/business entities under our brand names through contractual arrangements between such individuals/business entities (referred to in this document as “franchisees”) and us in compliance with applicable laws and regulations in a relevant market, and the associated model is referred to as “franchise model” in this document
“GMV”	gross merchandise value, representing the total value of orders placed by consumers of our snack and beverage retail business, unless otherwise stated. The value of relevant discounts and products returned are removed from the calculation of GMV
“ <i>Haoxianglai</i> ”	our nationwide brand. When referring to “ <i>Haoxianglai store</i> ” or “ <i>Haoxianglai network</i> ”, it represents stores that are registered under the <i>Haoxianglai</i> membership system, which includes (i) <i>Haoxianglai</i> -branded stores and (ii) stores of <i>Lu Xiao Chan</i> (陸小饞), <i>Lai You Pin</i> (來優品) and <i>Ya Di Ya Di</i> (丫嗒丫嗒) that were consolidated to <i>Haoxianglai</i> in October 2023, unless otherwise indicated
“ID”	identity document
“IP”	characters, songs, drama series or other artistic works and their underlying intellectual property rights, including elements for re-creation

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“IT”	information technology
“large-scale snack and beverage retailer”	unless stated otherwise, means a retail chain with at least 100 stores in China’s snack and beverage retail market
“new first-tier cities”	Changsha, Chengdu, Chongqing, Dongguan, Foshan, Hangzhou, Hefei, Nanjing, Ningbo, Qingdao, Suzhou (of Jiangsu), Tianjin, Wuhan, Xi’an and Zhengzhou
“R&D”	research and development
“registered members”	consumers registered under our membership program
“ROI”	return on investment
“OMS”	order management system
“order fulfillment rate”	the percentage of SKUs delivered to stores within seven days of order placement, calculated as the number of such SKUs divided by the total SKUs ordered during the same period
“other lower-tier cities”	all prefecture-level regions in China excluding first-tier cities, new first-tier cities, second-tier cities and third-tier cities
“second-tier cities”	Baoding, Changchun, Changzhou, Dalian, Fuzhou, Guiyang, Harbin, Huizhou, Jiaxing, Jinan, Jinhua, Kunming, Lanzhou, Linyi, Nanchang, Nanning, Nantong, Quanzhou, Shaoxing, Shenyang, Shijiazhuang, Taiyuan, Taizhou (of Zhejiang), Weifang, Wenzhou, Wuxi, Xiamen, Xuzhou, Yantai and Zhuhai
“self-developed digital systems”	Comprehensive digital systems that we develop in-house and integrate with third-party software solutions. They include our OMS, TMS, WMS and other digital tools for operation purposes
“Shanhe Four Provinces”	Shandong, Shanxi, Henan, and Hebei
“SKU”	stock keeping unit
“sq.m.”	square meter
“store(s)” or “our stores”	in the context of describing our store network, “stores” or “our stores” include our franchised stores and self-operated stores, unless explicitly stated otherwise

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“third-tier cities”	Anqing, Anyang, Bengbu, Bozhou, Cangzhou, Changde, Chuzhou, Dezhou, Fuyang, Ganzhou, Guilin, Haikou, Handan, Hengyang, Heze, Hohhot, Huai’an, Huanggang, Huzhou, Jiangmen, Jieyang, Jingzhou, Jining, Jiujiang, Langfang, Lanzhou, Lianyungang, Liaocheng, Liuzhou, Lu’an, Ma’anshan, Maoming, Mianyang, Nanyang, Ningde, Putian, Quzhou, Sanya, Shangqiu, Shangrao, Shantou, Suqian, Suzhou (of Anhui), Tai’an, Taizhou (of Jiangsu), Tangshan, Urumqi, Weihai, Wuhu, Xiangyang, Xianyang, Xingtai, Xinxiang, Xinyang, Yancheng, Yangzhou, Yichang, Yichun, Yinchuan, Yueyang, Zhangzhou, Zhanjiang, Zhaoqing, Zhenjiang, Zhongshan, Zhoukou, Zhumadian, Zhuzhou, Zibo and Zunyi
“TMS”	transportation management system
“warehouse”	refers to warehouse used for our snack and beverage retail business, unless otherwise stated
“WMS”	warehouse management system
“Yangtze River Delta”	Jiangsu, Zhejiang, Anhui, and Shanghai