
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.

“ambient milk/yogurt”	category of dairy products that are specially processed and packaged to be shelf-stable, meaning they can be stored at room temperature for extended periods, typically six months, without spoiling
“aseptic filling”	packaging process in which a product and its container are sterilized separately and then filled and sealed in a sterile environment to prevent microbial contamination
“beta-casein”	a specific type of protein found in animal’s milk
“BRC”	British Retail Consortium
“BRCGS”	British Retail Consortium Global Standards
“CAGR”	compound annual growth rate
“cattle”	the general term for bovine animals, divided into dairy cows, beef cattle, etc., according to economic use
“Central China”	region comprising Henan Province, Hubei Province, and Hunan Province
“circular farming”	an ecological farming model that integrates soil health maintenance with dairy farming, with reduced reliance on external inputs like synthetic fertilizers
“clean-label”	a consumer-driven trend where food products are made with simple, recognizable, and minimally processed ingredients, avoiding artificial additives and preservatives
“cold chain logistics”	temperature-controlled storage and transport from plant to retail to maintain product integrity
“DTC” or “DTC channels”	Direct-to-Consumer sales channels through which products are sold directly to end consumers without intermediaries, primarily via self-operated digital platforms and home-delivery services
“East China”	region comprising Shanghai, Jiangsu Province, Zhejiang Province, Anhui Province, Fujian Province, Jiangxi Province, and Shandong Province
“encapsulation”	a process where one substance is completely wrapped or coated inside another substance or the shell
“fermentation”	a biological process using microorganisms to convert substrates into desired products such as acids, gases, or biomass
“forage”	edible plant material (mainly leaves and stems) that grazing livestock eat
“GAP”	Good Agricultural Practice

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“GMP”	Good Manufacturing Practice
“HACCP”	Hazard Analysis Critical Control Point
“herd management”	the agricultural practice of overseeing and managing a group of animals (a herd) to optimize their health, productivity, and welfare
“Holstein”	a specific breed of dairy cows that have high milk yield with unique black and white patterns on their bodies and strong adaptability to various environmental conditions
“immunoglobulins”	the most abundant type of antibody in blood circulation, providing long-term immune protection
“ISO”	International Organization for Standardization
“Jersey”	a specific breed of dairy cows known for producing milk with exceptionally high butterfat and protein content, resulting in rich, creamy dairy products
“lactation period”	the period of time after giving birth during which a dairy cow produces milk from her mammary glands to feed the offspring
“lactoferrin”	an iron-binding glycoprotein with key roles in immune defense and antimicrobial activity
“low-temperature fresh milk”	milk that has been pasteurized using a gentle heat treatment to eliminate viable pathogenic microorganisms while preserving the milk’s fresh flavor and nutritional integrity, which requires constant refrigeration and generally has a short shelf life of a few days
“low-temperature yogurt”	yogurt that, after milk fermentation, undergoes no further pasteurization or sterilization processing, thereby retaining viable lactic acid bacteria, which requires constant refrigeration and generally has a short shelf life of a few weeks
“MES”	Manufacturing Execution System
“MSRP”	Manufacturer’s Suggested Retail Price, a recommended price set by the manufacturer for retail sales
“North China”	region comprising Beijing, Tianjin, Hebei Province, Shanxin Province, and Inner Mongolia Autonomous Region
“Northeast China”	region comprising Jilin Province, Liaoning Province, and Heilongjiang Province
“Northwest China”	region comprising Shaanxi Province, Gansu Province, Ningxia Autonomous Region, Qinghai Province, and Xinjiang Autonomous Region
“Norwegian Red”	a unique composite dairy cow breed developed in Norway through a long-term, systematic breeding program

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“instant retail”	a hyper-local, fast-delivery retail model that combines online ordering with offline fulfillment, delivering goods to consumers in minutes
“pasteurization”	a thermal processing method that involves heating a product, such as a treatment at 72°C for 15 seconds, specifically to eliminate viable pathogenic microorganisms
“probiotics”	live microorganisms that, when administered in adequate amounts, confer health benefits to the host
“R&D”	research and development
“scientific breeding”	the process by which humans intentionally breed specific plants or animals to develop and perpetuate desired characteristics
“shelf-life”	the length of time a product can be stored under specified conditions while remaining safe, quality, and suitable for consumption
“SKU”	stock keeping unit, a unique identifier used to track products in inventory and sales systems
“somatic cell”	the animal’s own cells that are naturally present in milk, primarily white blood cells
“South China”	region comprising Guangdong Province, Guangxi Autonomous Region, and Hainan Province
“Southwest China”	region comprising Chongqing, Sichuan Province, Yunnan Province, Guizhou Province, and Tibet Autonomous Region
“sterilization”	a thermal processing method that involves heating a product to a significantly higher temperature than pasteurization, typically above 135°C, for a specified duration (e.g., 2-5 seconds for UHT), with the specific purpose of destroying all microorganisms to achieve commercial sterility, allowing the product to be stored at ambient room temperature for extended periods without refrigeration
“UHT”	Ultra-High-Temperature, which is generally a temperature higher than 135°C in the context of sterilization