

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains definitions of certain terms used in this document in connection with our Group and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

“A2” or “A2 β -casein”	A type of casein protein naturally present in certain milk, characterized by its amino acid structure, which is typically sourced from specially selected breeds.
“adult milk powder (成人奶粉)”	Adult milk powder refers to milk powder specifically for individuals aged 18 and above.
“alpha-s1-casein” or “ α s1-casein”	A major subtype of casein protein found in milk. The content of alpha-s1-casein (particularly in goat/sheep milk vs. cow milk) can influence milk’s digestibility and allergenicity.
“arachidonic acid (花生四烯酸)” or “ARA”	Arachidonic acid, one of the most abundant fatty acids in the brain necessary for the repair and growth of skeletal muscle tissue and beneficial to early neurological development.
“base powder (基粉)”	A composite ingredient as defined under the Detailed Rules for Examination of Production Permits for Infant Formula (2022 version) (《嬰幼兒配方乳粉生產許可審查細則(2022版)》). Base powder is produced mainly from cow or goat/sheep milk and their dairy protein products, with added nutrients and/or other auxiliary ingredients, and processed through wet blending process. It is intended to serve as an intermediate compound ingredient for use by other enterprises in the production of infant formula.
“CAGR”	compound annual growth rate
“children milk powder (兒童奶粉)”	Formulas designed for children aged 36 months to 18 years (Stage 4 and above).
“cow milk infant formula (嬰幼兒配方牛奶粉)”	Formulas designed for children aged 0-36 months (Stage 1 to 3), in which cow milk is used as the primary dairy ingredient.
“cow milk powder (牛奶粉)”	Cow milk powder refers to milk powder derived from cow milk.
“D90-grade”	A quality criterion related to particle size distribution, indicating that 90% of the particles in a powdered product are below a certain diameter (the D90 value). “D90-grade” powder has a consistently fine texture, which is important for the solubility and mouthfeel of infant formula.

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“dairy products (乳製品)”	Dairy products refer to foods or beverages made from the milk of animals such as cows, goats, or sheep. Common dairy products include milk, cheese, yogurt, butter, and milk powder.
“demineralized cow whey powder (脱鹽牛乳清粉)”	A powdered product made from cow whey through desalination and drying processes.
“demineralized goat/sheep whey powder (脱鹽羊乳清粉)”	A powdered product made from goat/sheep whey through desalination and drying processes.
“demineralized whey powder (脱鹽乳清粉)”	A powdered product made from goat/sheep/cow whey through desalination and drying processes.
“Docosahexaenoic Acid (二十二碳六烯酸)” or “DHA”	Docosahexaenoic Acid refers to a polyunsaturated fatty acid that is essential for the human body.
“dry blending (乾法)”	Dry blending refers to the process of producing milk powder by mixing various solid raw materials in a dry state through blending and other methods.
“dry-wet mixing process (乾濕複合工藝)”	A combined manufacturing process that includes all the steps of wet blending (except the final packaging stage) along with the corresponding steps of dry blending, integrating both processes in formula production.
“emulsion”	A fine mixture of two immiscible liquids where one liquid is dispersed in the form of tiny droplets in the other (for example, milk is an emulsion of fat droplets in water).
“encapsulated dairy lipids”	Dairy-based fats that have been microencapsulated (coated with a protective layer) to improve stability, control release, or enhance integration into formula products.
“finished formula-based product”	A final consumer product that is formula-based and ready for use or sale (for example, a canned infant formula ready for consumption).
“food for special medical purposes (特殊醫學用途配方食品)” or “FSMP(s)”	Formulated foods specially processed and prepared to meet the special nutritional or dietary needs of individuals with limited eating capacity, impaired digestion and absorption, metabolic disorders, or specific disease conditions.
“food for special medical purposes for infants (特殊醫學用途嬰兒配方食品)”	Refers to formula foods designed to meet the dietary and nutritional needs of infants with specific medical conditions, such as particular disorders, diseases, or other health-related issues.
“goat/sheep milk infant formula (嬰幼兒配方羊奶粉)”	Formulas designed for children aged 0-36 months (Stage 1 to 3), in which goat/sheep milk is used as the primary dairy ingredient.

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“goat/sheep milk powder (羊奶粉)”	Milk powder derived from goat milk and/or sheep milk.
“goat/sheep whey protein (羊乳清蛋白)”	Whey protein obtained from goat or sheep milk, used as an alternative to cow whey protein in specialized dairy products and formulas.
“high-fat demineralized goat/sheep whey powder”	A high-fat whey powder produced from goat/sheep milk, obtained after whey separation and further processed through demineralization and other steps.
“human milk oligosaccharides” or “HMOs”	Complex sugars found in human breast milk that serve as prebiotics and support infant gut health and immunity. They are often added to infant formula to mimic the functional benefits of breast milk.
“hydrolyzed whey protein”	Whey protein that is predigested and partially hydrolyzed for the purpose of easier metabolizing.
“infant formula” or “infant milk formula (嬰幼兒配方奶粉)”	Formulas designed for children aged 0-36 months (Stage 1 to 3).
“infant-grade”	Denotes that a material or product meets the rigorous safety and quality standards suitable for infants. For example, “infant-grade” ingredients or packaging have purity levels and safety specifications on par with those used for infant formula products.
“Jersey milk powder (娟珊奶粉)”	Jersey milk powder is made from the milk of Jersey cows.
“lactose (乳糖)”	Lactose is a carbohydrate unique to the milk of humans and other mammals.
“liquid milk (液態奶)”	Drinking milk, including Ultra-High Temperature (UHT) milk, pasteurized milk and yogurt, categorized by different processing techniques.
“low-allergen dairy product”	A dairy product formulated or processed to minimize allergenic proteins and reduce the risk of allergic reactions (e.g. using hydrolyzed proteins).
“milk powder”	Milk powder is a dairy product made by removing most of the water from liquid milk through drying.
“pharmaceutical-grade”	Indicates a level of purity and quality suitable for medicinal use. Pharmaceutical-grade products or ingredients meet pharmacopeial standards and are produced under strict quality control, ensuring they are free of harmful impurities and consistent in strength – often applied to nutrients or substances used in medical nutrition products.

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“rapid microbial detection system”	A technology or set of tools for quickly detecting microbial contamination in samples (faster than traditional culture methods). Such systems (e.g. rapid ATP bioluminescence or PCR-based detectors) are used to ensure infant formula and dairy products meet safety standards before release.
“raw milk (原料奶或生乳)”	Raw milk refers to fresh milk collected directly from animals (usually cows, goats, or sheep) before it has undergone any processing. It is the primary ingredient used to produce dairy products.
“specialty fats”	Speciality fats refer to customized fat blends used in infant formula or FSMP products to improve fat absorption and deliver specific nutritional benefits, such as essential fatty acids or MCTs.
“spray-drying (噴霧干燥)”	A method of quickly drying a liquid mixture into a powder by spraying it into a chamber of hot air, causing the liquid to evaporate and solid particles to form.
“wet blending (濕法)”	Wet blending refers to the process of producing milk powder by dissolving and mixing various raw materials in liquid form, followed by sterilization, concentration, spray drying and other subsequent processes.
“whey (乳清)”	The substance obtained after separating the curd during the production of cheese, casein, or similar products using raw milk as the base material through rennet coagulation, acidification, or membrane filtration.
“whey liquid (乳清液)”	Unprocessed liquid whey (for example, the fresh whey by-product before any drying or further processing).
“whey powder (乳清粉)”	A powdered product made from whey through a drying process.
“whey protein (乳清蛋白)”	It is a globular protein mixture extracted from whey, the liquid by-product produced during cheese manufacturing.
“whey protein concentrates (乳清蛋白濃縮物)” or “WPC”	Whey protein concentrate refers to a product obtained through ultrafiltration and spray drying technologies.
“whey protein powder (乳清蛋白粉)”	A powdered product made from whey through separation, concentration, and drying processes, with a protein content of no less than 25%.