

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Group and our business shall have the meanings set out below. Some of these terms and their meanings may not correspond to standard industry definitions or usages, and may not be comparable to similar terms adopted by other companies.

“618 shopping festival”	a major mid-year online shopping event
“AIGC”	AI-generated content, digital content, such as text, images, audio, or video, created by AI models based on user input or algorithmic prompts
“Aromascope headspace replication technology”	a technology that we use to capture the authentic fragrance of fresh flowers and deliver long-lasting yet gentle scents
“brand audience assets”	the accumulated consumer groups who have certain awareness, emotional connection and loyalty to a brand through various marketing activities and interactions, serving as the intangible assets of the brand. This group is dynamic, ensuring that the group continuously reflects active and commercially engaged brand followers. These audience groups are accumulated over time and are subject to refined operations and continuous value enhancement, thereby supporting long-term brand development. The concept of “brand audience assets” has gained traction in the marketing and digital advertising industry in China and is exemplified by the methodology introduced in the O-5A Brand Audience Asset Management Framework (《巨量引擎O-5A人群資產經營方法論》) published by Douyin’s advertising platform in 2022, which treats such consumer groups as operationally manageable and incrementally valuable assets
“CAGR”	compound annual growth rate
“Calanus oil”	a marine-sourced oil rich in Omega-3 extracted from tiny zooplankton Calanus finmarchicus, a resource from the North Atlantic Ocean
“content-driven engagement”	a marketing approach where high-quality, shareable content is strategically created and deployed to drive consumer interaction, brand awareness, and conversion across multiple channels. This approach leverages both in-house capabilities and external resources, such as IP collaborations, KOL partnerships, and user-generated content, to amplify reach and virality
“DTC” or “direct-to-consumer”	a business model where we sell products directly to end consumers, bypassing traditional retail intermediaries

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“ergothioneine”	a naturally occurring amino acid derivative and antioxidant found in certain fungi, plants, and animal tissues, known for its potential role in cellular protection, brightening and anti-oxidant
“ERP”	enterprise resource planning, a software that manages key business processes such as finance, human resources, supply chain, and inventory
“flagship store”	an official brand store registered on an e-commerce platform for our proprietary and brand partners’ brands
“FMCG”	fast-moving consumer goods, products that are sold quickly, at a relatively low cost, and have a short shelf life, requiring frequent replacement
“GMV”	gross merchandise value, the total value of all orders placed through a platform or channel within a given period, before deducting returns or cancellations
“high-intent traffic”	consumer groups that exhibit strong purchase intent or conversion potential, typically identified through multi-dimensional behavioral data. In the context of the brand audience asset theory, these consumers correspond to consumers who have demonstrated deep interest in a product or brand, such as by actively searching, adding items to shopping carts, or searching for the products across platforms and consumers who have completed their first purchase or made their first payment order under a certain brand. High-intent traffic are considered critical for precision marketing and conversion optimization, as they represent a dynamic segment with measurable engagement and monetization potential
“IP(s)”	intellectual properties
“IP collaboration accounts”	accounts we plan to establish on e-commerce platforms for the purpose of marketing and selling products based on IP cross-over collaborations, such as LYCOCELLE’s partnership with “Intimate Audrey Hepburn”
“KOC(s)” or “long-tail influencers”	key opinion consumer, consumer who shares authentic product experiences on social platforms and influences purchasing decisions through relatable, peer-driven content. These consumers typically have smaller follower bases but are perceived as genuine and trustworthy, making their recommendations highly persuasive within their peer networks
“KOL(s)”	key opinion leader, a person or organization who has influence in a particular field

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“top-tier creators”	high-profile content creators on social media platforms who typically have substantial influence and a large following
“mid-tail influencers”	influencers who focus on specific niche areas and generally hold strong professional standing and influence within specific communities
“MAU”	monthly active users, the number of unique users who access an app at least once during a calendar month
“multi-modal agents”	artificial intelligence models that integrate and operate across diverse data formats
“nutricosmetic”	according to Frost & Sullivan, nutricosmetic is an industry-recognized term referring to ingestible nutritional supplements formulated to support skin, hair or overall beauty-related benefits from within
“OEM”	original equipment manufacturer, a manufacturer or production entity that produces goods that are ultimately sold under third-party brands
“omnichannel resonance”	the synergistic effect achieved when brand messaging and consumer engagement are consistently amplified across multiple online and offline channels. It leverages the strengths of each channel to create a unified brand experience. By aligning content, traffic strategies, and consumer insights across these touchpoints, omnichannel resonance drives demand generation, enhances brand visibility, and accelerates conversion throughout the entire consumer journey
“PopScent technology”	a technology that enables essential oil particles to be gradually released through fabric friction, allowing long-lasting fragrance retention
“ROS”	reactive oxygen species, chemically reactive molecules containing oxygen that are produced in cells
“SKU(s)”	stock keeping unit(s), a unique code(s) assigned to a product(s) to help identify and track inventories
“scaled brand(s)”	a brand(s) with total retail sales exceeding RMB100 million in 2024
“synthetic biology”	an interdisciplinary field that combines biology, engineering, and computer science
“traffic”	the flow of internet users

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“UGC”	user-generated content, any form of digital content created and shared by individual users rather than brands or official publishers, typically on social media or online platforms
“UV”	ultraviolet, a form of high-energy electromagnetic radiation emitted by the sun and artificial sources