

GLOSSARY OF TECHNICAL TERMS

In this document, 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. These terms and their meanings may not correspond to standard industry meanings or usage.

“A2β-casein”	a form of beta-casein protein present in certain milk products.
“AI”	artificial intelligence
“aseptic filling”	a filling process under which products are filled into packaging under aseptic conditions to reduce microbial contamination risk and support product safety and shelf-life.
“B2B”	business-to-business, a business model involving the provision of products or services by one business to another business
“buffalo raw milk”	raw milk produced by dairy buffalos and used as a raw material in dairy production
“cattle”	bovine animals generally, which may be classified by economic use into dairy cattle, beef cattle and other categories
“cold-chain management”	temperature-controlled storage and transportation arrangements for products requiring refrigerated or temperature-controlled conditions
“cold-chain transportation”	transportation of products under controlled temperature conditions to maintain product quality and safety
“cow raw milk”	raw milk produced by dairy cattle and used as a raw material in dairy production
“dairy buffalo”	a buffalo bred or raised for milk production
“dairy cattle” or “dairy cow”	cattle bred or raised for milk production, including dairy cow breeds such as Holstein cows and Jersey cows
“dairy herd” or “herd”	a group of dairy animals managed for milk production
“Dream Cap”	a single-serve packaging format used for certain dairy products
“DTC”	a direct-to-consumer sales model, under which we sell products directly to individual consumers
“electronic tagging”	the use of electronic identifiers to track individual animals

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“fermented dairy products”	dairy products produced through fermentation, including yogurt products
“food business license”	a licence required for relevant food business operations in the PRC
“food production license”	a licence required for relevant food production operations in the PRC
“formulated milk”	milk products formulated with milk and other permitted ingredients to achieve particular nutritional or flavor profiles
“Good Agricultural Practices certification” or “GAP certification”	a certification relating to good agricultural practices for relevant farming operations
“Hazard Analysis and Critical Control Points” or “HACCP”	a food safety management approach involving hazard analysis and control of critical points in production
“herd management”	the agricultural practice of overseeing and managing a group of animals to support their health, productivity and welfare
“Holstein cow”	a breed of dairy cow generally characterized by high milk yield, distinctive black-and-white markings and adaptability to various environmental conditions
“homogenization”	a dairy processing step used to support product consistency
“INF 0.09-second flash sterilization”	an ultra-rapid thermal sterilization process lasting just 0.09 seconds can inactivate microorganisms while better preserving the product’s quality attributes.
“integrated digital farming platform”	a platform combining digital systems and devices used to support farm management, including animal monitoring, feeding management and herd records
“IoT sensors”	Internet-of-things sensors used to collect operational, environmental or animal-related data
“Jersey cow”	a breed of dairy cow known for producing milk with relatively high butterfat and protein content
“Jersey cow milk”	milk produced by Jersey cows
“Lingshan buffalo”	a dairy buffalo genetic resource associated with Lingshan, Guangxi
“low-temperature aseptic cold-filling”	a filling process conducted under aseptic conditions at low temperature after sterilization
“low-temperature dairy products”	dairy products requiring refrigerated storage and cold-chain distribution

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“Manufacturing Execution System”	our manufacturing execution system used, or proposed to be upgraded, to support digital control of the production process, quality control and production-line management
“Maximum Production Capacity”	the standard production capacity of our production facilities for a year or period, calculated assuming operation at a practicable high utilization level with allowances for routine maintenance, equipment upgrades, public holidays and seasonal demand fluctuations
“Mediterranean buffalo”	a riverine dairy buffalo breed referred to in the document in connection with dairy buffalo genetic resources in Guangxi
“membrane-filtration technology”	a pressure-driven physical separation process that uses semi-permeable membranes with specific pore sizes or molecular weight cut-offs to separate, concentrate and purify components in liquid milk based on particle size and molecular characteristics
“milk-containing beverages”	ready-to-drink beverages containing milk as an ingredient
“MSRP”	manufacturer’s suggested retail price, a recommended price set by the manufacturer for retail sales
“Murrah buffalo”	a riverine dairy buffalo breed referred to in the document in connection with dairy buffalo genetic resources in Guangxi
“Nili-Ravi buffalo”	a riverine dairy buffalo breed referred to in the document in connection with dairy buffalo genetic resources in Guangxi
“offline distributors”	distributors that sell or distribute our products through offline retail or consumption channels
“online direct sales”	sales through our self-operated online stores on e-commerce or social commerce platforms
“online distributors”	e-commerce platforms or online distribution channels that purchase our products and distribute them to end customers through online retail channels
“pasteurization”	a heat treatment process used for milk products, generally followed by cooling and refrigerated storage
“pasteurized milk”	milk products that have undergone pasteurization and are generally distributed under low-temperature conditions
“PE”	Polyethylene, used as a flexible, lightweight plastic material for everyday packaging
“PET”	Polyethylene Terephthalate, used as a clear, rigid plastic material with strong barrier properties

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“probiotic strains”	selected microorganisms used in certain fermented dairy or beverage products
“R&D”	research and development
“raw milk”	unprocessed milk used as a raw material in dairy production
“raw milk purchase license”	a licence for purchasing raw milk under applicable PRC requirements
“raw milk transportation permit”	a permit or certificate for transporting raw milk under applicable PRC requirements
“selenium-enriched”	containing selenium at levels that support the relevant product claim under applicable standards
“self-operated flagship stores”	online stores operated by us on e-commerce or social commerce platforms
“shelf-life”	the period during which a product may be stored under specified conditions while remaining safe and suitable for consumption
“standardization”	a processing step involving adjustment of product composition to meet specified formulation or quality requirements
“starter culture”	microorganisms added to initiate fermentation in fermented dairy products
“sterilization”	a thermal treatment process used to achieve commercial sterility in dairy production
“sterilized milk”	dairy products processed by sterilization methods, including UHT sterilization, and packaged for shelf-stable distribution
“Tetra Brik®”	an aseptic carton packaging format used for certain shelf-stable dairy products
“Total Mixed Ration feeding”	a feeding method under which feed ingredients are mixed into a ration for dairy animals
“ultra-high-temperature sterilization” or “UHT sterilization”	a sterilization process involving ultra-high-temperature treatment in dairy production
“warehouse control system”	a system used to support warehouse automation and operational control
“warehouse management system”	a digital system used to support inventory tracking and warehouse operations
“zero-sucrose”	containing no sucrose, or sucrose at levels permitted to support such claim under applicable standards