

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.

“3R”	ready-to-eat, ready-to-cook and ready-to-heat products that are designed for convenient consumption
“App”	applications on smart mobile devices
“CAGR”	compound annual growth rate
“cold-chain”	a temperature-controlled supply chain infrastructure comprising refrigerated warehousing and logistics facilities supported by equipment that can constantly maintain the required low-temperature range
“D&C Model”	end of the day discount and clearance model, an operational pricing model under which perishable products are discounted or cleared at the end of the day to improve turnover
“Digital Operation Platform”	a digital platform that connects the headquarters directly with all franchise stores, integrating ordering, sales, store level inventory and pricing data
“ERP system”	enterprise resource planning system, an integrated software platform that enables an organization to manage and automate core business processes such as finance, procurement, inventory, production, and human resources through a unified database and standardized workflows
“GFA”	gross floor area
“GMO”	genetically modified organism, whose genetic material has been altered using genetic engineering techniques
“GMV”	gross merchandise value
“HACCP”	Hazard Analysis and Critical Control Points, a systematic approach to food safety that identifies, evaluates, and controls potential hazards throughout the food production process
“integrated distribution center”	distribution center that integrates sorting and processing functions
“IT”	information technology
“kg”	kilogram

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“KOL”	key opinion leader, an individual influencer with recognized expertise, credibility, or a substantial following in a particular field who can influence consumer perceptions and purchasing decisions through content creation and recommendations
“lean-meat yield”	the proportion of usable lean meat obtained from a carcass relative to its total weight
“MCN agency”	multi-channel network agency, an organization that manages and supports multiple content creators or influencers by providing services such as talent management, content production, marketing, brand partnerships, and monetization opportunities
“municipalities”	Beijing, Tianjin, Shanghai and Chongqing
“POS”	a retail management system for points of sales
“R&D”	research and development
“ready-to-cook” or “RTC”	semi-finished ingredients that are pre-cut, seasoned and mixed, or even deep-processed (i.e. fried or grilled), ready for cooking
“ready-to-eat” or “RTE”	pre-prepared and packaged foods ready for consumption without further preparation or cooking
“ready-to-heat” or “RTH”	pre-prepared foods that are already cooked and need only heating by microwave, oven, boiling, steaming, etc. before consuming
“SPU”	standard product unit
“sq.m.”	square meter
“SRM system”	supplier relationship management system, a digital platform that helps organizations manage supplier information, sourcing, performance, and collaboration to improve procurement efficiency and supply chain effectiveness
“TMS system”	transportation management system, a digital system used to plan, execute, and optimize the transportation of goods, including route planning, carrier management and freight settlement
“WMS system”	warehouse management system, a software system that manages and optimizes warehouse operations such as inventory tracking, picking, packing and inbound and outbound logistics