

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms used in this document in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

“algal oil DHA”	a kind of DHA processed from the culturing, fermentation, refining and purification of algae
“bonded warehouses”	domestic warehouses in FTZs where goods are temporarily stored, and customs clearance and goods delivery would take place after consumers place their orders
“CAGR”	compound annual growth rate, a method of assessing the average growth of a value over time
“cross-border e-commerce (跨境電商零售進口)”	sales of our nutritional products via online platforms across national borders to the PRC when the buyer and seller are located in different jurisdictions
“DHA”	docosahexaenoic acid, which is an essential fatty acid, widely present in algal, certain fish and marine animal oils, etc.
“first-tier cities”	for the purpose of this document, Beijing, Shanghai, Guangzhou and Shenzhen, which are determined in accordance with the Ranking of Chinese Cities’ Business Attractiveness 2023 (2023城市商業魅力排行榜) published by PRC financial media YiCai (第一財經)
“fourth-tier cities”	for the purpose of this document, any other cities in the PRC that are not categorised as first-tier, new first-tier, second-tier or third-tier cities
“FTZs”	Free Trade Zones, areas within which goods may be landed, handled, manufactured or reconfigured, and reexported without the intervention of the customs authorities
“general trade (大貿)”	the import of our nutritional products that are processed overseas in which both the buyer and seller being in the PRC
“GMP”	good manufacturing practice, which is a system for ensuring that products are consistently produced and controlled according to quality standards
“KOL(s)”	key opinion leader(s)
“milk powder product(s)”	dairy product(s) made by evaporating milk until most moisture has been removed, leaving behind dry powder

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“multi-nutrients”	substances from food and used in the body to promote growth, maintenance, and repair of body tissues
“new first-tier cities”	for the purpose of this document, Chengdu, Xi’an, Wuhan, Suzhou, Zhengzhou, Chongqing, Hangzhou, Nanjing, Tianjin, Changsha, Dongguan, Ningbo, Hefei, Kunming and Qingdao, which are determined in accordance with the Ranking of Chinese Cities’ Business Attractiveness 2023 (2023城市商業魅力排行榜) published by PRC financial media YiCai (第一財經)
“nutritional products”	products taken orally that contain one or more ingredients such as vitamins, probiotics, DHA, or other supplements containing calcium, iron, etc., or any combination thereof that are intended to supplement the diet of the consumers
“OEM”	original equipment manufacturing or original equipment manufacturer (as the case may be), a term used to refer to arrangements under which products are manufactured in whole or in part in accordance with the customer’s specifications and are marketed under the customer’s own brand names. A manufacturer that manufactures products under such arrangements is an original equipment manufacturer
“probiotics”	living micro-organisms which when administered in adequate amounts confer a health benefit on the host
“second-tier cities”	for the purpose of this document, Foshan, Shenyang, Jinan, Wuxi, Xiamen, Fuzhou, Wenzhou, Jinhua, Harbin, Dalian, Guiyang, Nanning, Quanzhou, Shijiazhuang, Changchun, Nanchang, Taizhou, Changzhou, Jiaxing, Xuzhou, Nantong, Taiyuan, Baoding, Zhuhai, Zhongshan, Linyi, Weifang, Shaoxing and Yantai, which are determined in accordance with the Ranking of Chinese Cities’ Business Attractiveness 2023 (2023城市商業魅力排行榜) published by PRC financial media YiCai (第一財經)
“sq.ft.”	square feet
“sq.m.” or “m ² ”	square metres

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“third-tier cities”	for the purpose of this document, Nanchong, Huanggang, Changde, Lanzhou, Taizhou, Haikou, Urumqi, Luoyang, Langfang, Shantou, Huzhou, Xianyang, Yancheng, Jining, Hohhot, Yangzhou, Ganzhou, Fuyang, Tangshan, Zhenjiang, Handan, Yinchuan, Nanyang, Guilin, Zunyi, Jiangmen, Jieyang, Wuhu, Shangqiu, Lianyungang, Xinxiang, Huai’an, Zibo, Mianyang, Heze, Zhangzhou, Zhoukou, Cangzhou, Xinyang, Hengyang, Zhanjiang, Sanya, Shangrao, Xingtai, Putian, Liuzhou, Suqian, Jiujiang, Xiangyang, Zhumadian, Yichang, Yueyang, Zhaoqing, Chuzhou, Weihai, Dezhou, Tai’an, Anyang, Jingzhou, Anqing, Chaozhou, Qingyuan, Suzhou, Zhuzhou, Bengbu, Ningde, Lu’an, Yichun, Liaocheng and Weinan, which are determined in accordance with the Ranking of Chinese Cities’ Business Attractiveness 2023 (2023城市商業魅力排行榜) published by PRC financial media YiCai (第一財經)
“Unauthorised Distribution”	the sales and distribution of our products by a regional distributor out of its designated region
“VAT”	value-added tax