
GLOSSARY

This glossary contains certain technical terms used in this Prospectus in connection with our Company. Such terms and their meanings may not correspond to standard industry definitions or usage.

“ARA”	it is the abbreviation for Arachidonic acid and is one of the most abundant fatty acids in the brain. It is necessary for the repair and growth of skeletal muscle tissue and is also involved in early neurological development. It is marketed as an anabolic body-building supplement in a variety of products including infant pediatric milk formula
“base milk powder”	it is the key semi-finished product in the production of pediatric milk formula products and milk powder for adults. It is manufactured by processing raw milk powder or raw milk with other ingredients such as lactose in quantities pursuant to the specifications of different formulas
“choline”	a B-complex vitamin that promotes neurological development and improves memory retention
“DHA”	it is the abbreviation for Docosahexaenoic acid and is the primary structural component of brain tissue. Research is increasingly recognizing the possibility that it has a crucial influence on neurotransmitters in the brain, helping brain cells better communicate with each other. It is actively promoted by manufacturers as a food additive, such as in pediatric milk formula products
“dietary fibers”	a food component which regulates gastrointestinal functions, prevents constipation, maintains gastrointestinal health and promotes nutrient absorption
“first-tier cities”	generally include direct-controlled municipalities, the highest level of cities under the direct administration of the PRC central government, and provincial capital cities, including but not limited to Beijing, Shanghai, Nanchang, Chongqing, Shijiazhuang and Guangzhou. As there is no official classification, such classification is determined based on our Directors’ knowledge and experience
“folic acid”	a nutrient that enhances immune functions, promotes neurological development, reduces the side-effects of pregnancy for expectant mothers, corrects anemia and reduces chances of miscarriage

GLOSSARY

“GMP”	it is the abbreviation for Good Manufacturing Practice, the control and management of manufacturing and quality control testing of foods, pharmaceutical products, and medical devices
“high-end consumers (高等收入消費群體)”	generally consumers with disposable income of RMB5,000 or above per month, who are less price sensitive and thus have higher willingness to pay for high-priced and high-quality products. As there is no official classification, such classification is determined based on our Directors’ knowledge and experience as well as our market research data
“infant formula”	milk-based powder formula products for consumption by infants up to the age of 12 months
“L-carnitine”	a naturally occurring amino acid associated with increased energy metabolism and improved brain function
“lactoferrin”	a multifunctional protein with antimicrobial activity that boosts immune function, as well as regulates the absorption of iron and promotes gastrointestinal immunity and development
“lutein”	a yellow carotenoid pigment found in green leafy vegetables and animal fats and egg yolks. It is an important antioxidant that prevents light damage to the eyes, slows down retinal aging and prevents pathological changes
“melamine”	an industrial chemical used for the production of melamine resins which can be added to milk-based products to cause a false increase in the measurement of protein content
“mid-end consumers (中等收入消費群體)”	generally consumers with disposable income of around RMB3,000 per month and are price sensitive with low willingness to pay for high-priced products. As there is no official classification, such classification is determined based on our Directors’ knowledge and experience as well as our market research data
“milk powder”	a manufactured dairy product made by evaporating milk to dryness
“nucleotides”	molecules which boost immune functions, promoting the growth of beneficial bacteria and maintains gastrointestinal health
“oligofructose”	an alternative sweetener with prebiotic functions that promotes gastrointestinal health

GLOSSARY

“organic”	when used in relation to food products, refers to products which have not been grown or produced with the use of conventional non-organic pesticides, synthetic fertilizers, bio-engineering, or radiation
“pediatric milk formula”	infant formula and other milk-based powder formula products for consumption by children from newborn infants to toddlers up to three years old
“prebiotics”	a group of non-digestible food ingredients that stimulate the growth and/or activity of bacteria in the digestive system which are beneficial to the health of the body
“probiotics”	live microorganisms which, when administered in adequate amounts, confer a health benefit on the host
“raw milk powder”	it is the key raw material for the production of base milk powder and may include skim milk powder and whole milk powder. It is typically manufactured from raw milk through a series of processes including pasteurization, standardization, condensation and spray-drying
“second-tier cities”	generally refer to prefecture-level cities, the administrative division of the PRC, ranking below a province and above a county in China’s administrative structure, including but not limited to Dongguan, Nanyang, Jiujiang, Shenzhen and Foshan, as there is no official classification, such classification is determined based on our Directors’ knowledge and experience
“skim milk powder”	it is a type of raw milk powder in which nearly all fat has been removed. It typically has a fat content of between 0.1%–0.3%
“third-tier cities”	generally refer to county-level cities, the county-level administrative divisions of the PRC, including but not limited to Jinjiang, Yunmeng, Bozhou, Kunshan and Luohe, as there is no official classification, such classification is determined based on our Directors’ knowledge and experience
“upper-end consumers (中高等收入消費群體)”	generally consumers with disposable income between approximately RMB3,000 to RMB5,000 per month. While they are usually less price sensitive than mid-end consumers, they will also consider price as a factor in their purchase decisions. As there is no official classification, such classification is determined based on our Directors’ knowledge and experience as well as our market research data
“whole milk powder”	it is a type of raw milk powder which typically has a fat content of not less than 26%