

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. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

“Au”	the symbol for the chemical element of gold
“Au9999”	refers to fine gold with gold content of 99.99% or above, which is a common standard for denoting gold purity adopted by the Shanghai Gold Exchange
“breakeven period”	the period of time it takes from the opening of a store to the time when it records monthly net profit for the first time
“carving/chasing (鑿刻)”	a technique of using designed specific tools to carve different patterns on the surface of an object
“cash investment payback period”	the amount of time it takes for the accumulated operating profit from a store to cover the initial investment excluding cost of inventory and rental deposits
“classic gold jewellery”	jewellery made of pure gold (i.e. fine gold with gold content of 99.0% or above, according to the PRC National Standard No. GB11887). Given they are primarily made of pure gold, prices of classic gold jewellery float and determined mainly with reference to weight and labour charge similar to traditional gold jewellery in the market
“concession (聯營)”	a common commercial arrangement between a shopping mall and the stores located therein, where the shopping mall (instead of the stores by themselves) will collect the sales proceeds of the stores and invoice end customers, and settle with the stores later in an agreed period
“customer relationship management (CRM) system”	a system which enables a business to administer its interactions with customers by using data analysis to study large amounts of customer information
“Emerging Tier-1 cities”	Chengdu, Chongqing, Hangzhou, Wuhan, Suzhou, Xi’an, Nanjing, Changsha, Tianjin, Zhengzhou, Dongguan, Qingdao, Wuxi, Ningbo and Hefei
“ERP”	enterprise resource planning, a software system that integrates and automates core business processes like finance, human resources, manufacturing, supply chain, and sales
“fashion jewellery”	jewellery which are designed with higher level of overall artistry, design exclusivity, and brand value. Accordingly, prices of fashion jewellery are determined not only with reference to its material cost and craftsmanship fee but also its perceived design and brand value; and therefore they are fixed priced
“filigree (花絲)”	a technique of drawing gold into delicate threads and fashioning them into different shapes

GLOSSARY OF TECHNICAL TERMS

“filigree inlay (花絲鑲嵌)”	a traditional gold crafting technique that combines filigree technique and inlay technique. It was approved by the State Council of the People’s Republic of China to be included in the national intangible cultural heritage list in 2008
“gem-set jewellery”	jewellery with diamonds or other gemstones inlaid
“gemstone”	mineral crystals of aesthetics value, often used to make jewellery or ornament, among which diamond is a special kind of gemstone formed only from one single element of carbon, in comparison with other gemstones
“GMV”	gross merchandise value, representing the total value of goods sold to consumers in terms of retail price
“heritage gold (古法黃金) jewellery”	a type of pure gold jewellery that combines modern designs and classic Chinese culture, features matte (啞光), sandy (磨砂) or other texture of ancient royal jewellery, and applies at least two Chinese traditional handmade gold crafting techniques as specified in the group standards published by the China Gold Association
“inlay (鑲嵌)”	a decorative method wherein diamonds or other gemstones are seamlessly integrated into gold or other alloys
“K”	a fractional measure of purity for gold alloys, in parts fine per 24 parts whole. Under the K measurement, the higher the K value, the higher the purity of gold, with 1K represents a purity level of 4.167% and 24K represents a theoretical purity level of 100%
“K gold”	a common term, typically refers to a type of non-pure gold with a K measurement of 22K (91.6%), 18K (75.0%), or even lower
“KOC”	abbreviation for key opinion consumers
“KOL”	abbreviation for key opinion leader
“pure gold”	refers to fine gold with gold content of 99.0% or above, according to the PRC National Standard No. GB11887
“SAP”	systems, applications, and products in data processing, is the world’s leading provider of Enterprise Resource Planning (ERP)
“SKU”	stock keeping unit, representing the number of products in inventory. It is used to identify each unique product and keep track of stock level
“tier-one cities”	Beijing, Shanghai, Guangzhou and Shenzhen
“tier-2 cities”	Foshan, Shenyang, Kunming, Jinan, Xiamen, Fuzhou, Wenzhou, Changzhou, Dalian, Shijiazhuang, Nanning, Harbin, Jinhua, Nanchang, Changchun, Nantong, Quanzhou, Guiyang, Jiaxing, Taiyuan, Huizhou, Xuzhou, Shaoxing, Zhongshan, Taizhou, Yantai, Zhuhai, Baoding, Weifang and Lanzhou

GLOSSARY OF TECHNICAL TERMS

“tier-3 cities”

Urumqi, Linyi, Haikou, Huzhou, Yangzhou, Yancheng, Luoyang, Tangshan, Jining, Langfang, Taizhou, Ganzhou, Hohhot, Zhenjiang, Wuhu, Shantou, Handan, Jiangmen, Zibo, Yinchuan, Nanyang, Huai’an, Mianyang, Lianyungang, Fuyang, Xianyang, Sanya, Weihai, Guilin, Zhangzhou, Zunyi, Yichang, Suqian, Cangzhou, Hengyang, Liuzhou, Xiangyang, Putien, Jiujiang, Heze, Chuzhou, Zhanjiang, Shangrao, Dezhou, Zhaoqing, Jieyang, Xingtai, Taian, Zhoukou, Zhuzhou, Yueyang, Liaocheng, Ningde, Shangqiu, Jingzhou, Changde, Yichun, Lu’an, Bengbu, Dongying, Zaozhuang, Maanshan, Lishui, Ordos, Anqing, Xinyang, Baotou, Nanchong and Anyang

“tier-4 cities”

Zhoushan, Qingyuan, Rizhao, Huangshi, Xining, Qinhuangdao, Daqing, Xuchang, Leshan, Yuncheng, Ji’an, Baoji, Huaihua, Weinan, Jiaozuo, Yiyang, Changzhi, Dazhou, Panjin, Huangshan, Yangjiang, Qiqihar, Jinzhou, Jincheng, Shanwei, Quzhou, Zhumadian, Deyang, Anshan, Maoming, Chenzhou, Jilin, Kaifeng, Suzhou, Shaoyang, Bozhou, Xiaogan, Yulin, Qujing, Xuancheng, Zhangjiakou, Fuzhou, Hengshui, Shaoguan, Sanming, Honghe, Meishan, Yingkou, Xianning, Chifeng, Beihai, Heyuan, Liangshan, Yulin, Enshi, Linfen, Neijiang, Yanbian, Dali, Ezhou, Tongling, Bijie, Yuxi, Xinyu, Yibin, Longyan, Binzhou, Huanggang, Luzhou, Xiangtan, Jinzhong, Pingdingshan, Nanping, Huainan, Qiannan, Shiyan, Puyang, Qiandongnan, Meizhou, Chaozhou, Jingdezhen, Datong, Loudi, Yongzhou, Chengde, Jingmen, Dandong, Huaibei and Hanzhong