

GLOSSARY

This glossary contains explanations of certain technical terms used in this document in connection with our Company and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“ABV”	alcohol by volume
“baijiu”	a colorless distilled liquor made from grain as the main raw material, with qu, wheat bran, enzyme and yeast as saccharification and fermentation agents
“CAGR”	compound annual growth rate
“deluxe”	in the context of price range of baijiu products, refers to baijiu with recommended retail price that is over RMB1,500 (incl) per volume of 500ml
“Douyin”	Douyin (抖音), a leading social media short-form video app in China for creating and sharing short lip-sync, comedy, and talent videos
“ERP”	enterprise resource planning
“gross sales”	in the context of baijiu products, refers to the ex-factory price of products dispatched to distributor
“KPI”	key performance indicator
“mid-range”	in the context of price range of baijiu products, refers to baijiu with recommended retail price that is between RMB100 (incl) to RMB600 per volume of 500ml
“premium”	in the context of price range of baijiu products, refers to baijiu with recommended retail price that is between RMB600 (incl) and RMB1,500 per volume of 500ml
“qu”	a combination of mold, yeast, and bacteria used for baijiu production
“RFID”	radio-frequency identification
“terroir”	the combination of environmental factors that affect the way a particular baijiu aroma formed in the context of baijiu production
“liquor”	an alcoholic beverage typically made through a process of fermentation and distillation, which involves converting the sugars in the raw materials into alcohol. Liquor typically has high ABV, usually 30% or above

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“value”	in the context of price range of baijiu products, refers to baijiu with recommended retail price that is below RMB100 (incl) per volume of 500ml
“Weibo”	Sina Weibo (新浪微博), a Chinese microblogging (weibo) website and social media platform
“Weixin”	Weixin (微信), a Chinese instant messaging, social media and mobile payment app