

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”	the first month for the revenue of a newly opened boutique to at least equal its costs and expenses
“carving/engraving (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 boutique to cover the initial investment
“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
“enamel glaze (琺瑯釉)”	a decorative coloring coating material made from various minerals
“filigree (花絲)”	a technique of drawing gold into delicate threads and fashioning them into different shapes
“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

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“free forging (摟胎)”	a technique of shaping gold and silver using special tools to directly knock the gold or silver pieces into different shapes by hand
“gem-set jewelry”	jewelries with diamonds or other gemstones inlaid
“gemstone”	mineral crystals of aesthetics value, often used to make jewelry or ornament, among which diamond is a special kind of gemstone formed only from one single element of carbon, in comparison with other gemstones
“gold and silver inlay (金銀錯)”	a traditional technique of embedding threads of gold and silver to make decorative patterns on the surface of an object. 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 2014
“hammering (錘揲)”	a technique of beating gold with a hammer to make it extend and expand to a variety of shapes
“heat treatment of enamels (燒藍)”	a decorative process that entails the application of colored enamel glaze onto the surface of gold products, which results in a vibrant and multi-hued appearance
“heritage gold (古法黃金) jewelry”	a type of pure gold jewelry that combines modern designs and classic Chinese culture, features matte (啞光), sandy (磨砂) or other texture of ancient royal jewelry, 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
“investment casting (失蠟成型)”	the process of using wax to create the casting model and then utilizing the model to create the object through pouring molten metal into it
“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%

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“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
“new tier-one cities”	Chengdu, Chongqing, Hangzhou, Wuhan, Suzhou, Xi’an, Nanjing, Changsha, Tianjin, Zhengzhou, Dongguan, Qingdao, Kunming, Ningbo and Hefei according to the Ranking of Cities’ Business Attractiveness in China 2023 (《2023城市商業魅力排行榜》) released by the New Tier One Cities Institute of YiMagazine (《第一財經周刊》新一線城市研究所)
“pure gold”	refers to fine gold with gold content of 99.0% or above, according to the PRC National Standard No. GB11887
“revenue/sales per sq.m.”	refers to the amount of revenue/sales generated per square meter of retail space, a metric commonly used by retail companies to determine the sales efficiency and calculated by dividing the amount of revenue/sales generated over a defined period with the amount of retail space used by a company
“sand hole repair and polishing (砂眼修補打磨)”	the process of repairing minor surface imperfections in the gold item by welding, followed by polishing and refining the surface using tools like sandpaper and files
“tier-one cities”	Beijing, Shanghai, Guangzhou and Shenzhen according to the Ranking of Cities’ Business Attractiveness in China 2023 (《2023城市商業魅力排行榜》) released by the New Tier One Cities Institute of YiMagazine (《第一財經周刊》新一線城市研究所)
“wax ejecting (蠟模製作)”	the process of creating wax pieces based on design blueprints and casting requirements