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## GLOSSARY OF TECHNICAL TERMS

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*This glossary of technical terms contains explanations of certain terms used in this prospectus as they relate to our Company and as they are used in this prospectus in connection with our business or us. These terms and their given meanings may not correspond to standard industry definitions.*

“assembling” or “assembly”	process of fitting together the components of a watch
“B2B”	business-to-business
“B2C”	business-to-consumer
“case”	a container that protects the watch movement from dust, damp and shocks and gives the watch an appearance
“crown”	a knob at the outside of a watch that winds the mainspring to the exact time
“dial”	an indicating “face” or plate of metal or other material, bearing various markings to show, in ordinary watches and clocks, the hours, minutes and seconds
“directly managed Sales Counter”	concessionaire Sales Counter in Department Stores which we directly manage in relation to its internal procurement and display of watches, inventory control, marketing, pricing policy and after-sale service, where sales proceeds are collected on our behalf by the Store Operators and remitted to us, so designated in order to be distinguished from sales counters operated by third-party distributors or franchisees which is common in the retail industry. As at the Latest Practicable Date, all of our Sales Counters are directly managed by us
“ERP”	acronym for enterprise resource planning which is an industry term for the broad set of activities supported by multi-module application software that helps a manufacturer or other business manage the important parts of its business, including product planning, parts purchasing, maintaining inventories, interacting with suppliers, providing customer service, and tracking orders. ERP can also include application modules for the finance and human resources aspects of a business
“foreign watch brand”	a watch brand which was originated outside the PRC. Please refer to the section headed “Industry Overview – Sub-categories of the retail watch market in China” at pages 102 and 103 for details.

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“GFA”	gross floor area
“hand”	an indicator, usually made of a thin, light piece of metal, very variable in form, which moves over a graduated dial or scale
“mid-end watch market in the PRC”	a segment within the watch market in the PRC where the unit retail price of watches are generally within the range of RMB1,500 to RMB5,000. As there is no official industry classification, such classification is adopted based on our Directors’ knowledge and experience as well as market information compiled by Euromonitor. Please refer to the section headed “Industry Overview” in this prospectus for more details.
“movement”	assembly consisting of the principal elements and mechanisms of a watch, the winding and setting mechanism, the mainspring, the train, the escapement, the regulating elements
“national watch brand”	a watch brand which originated in the PRC. Please refer to the section headed “Industry Overview – Sub-categories of the retail watch market in China” at pages 102 and 103 for details.
“OEM”	original equipment manufacturing whereby products are manufactured in accordance with the customer design and specification and are marketed under the customer’s brand name
“sq.ft.”	square feet(s)
“sq.m.”	square meter(s)
“strap”	a band of cloth or leather attached to a watch and wrapped around the wrist
“tungsten”	a steel-gray corrosion-resistant metal used in our products
“U8 Data Management System”	a data management system with ERP components, which is a collection of programs that enables users to create, store, modify or extract information from a database