
GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this prospectus. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“3D”	a three dimensional (3D) movie is a motion picture derived from stereoscopic photography, a regular motion picture camera system that is used to record images as seen from two perspective. Special project hardware or eyewear are used to provide the illusion of depth when viewing the movie
“4D”	4D movie is a marketing term for an entertainment presentation system combining 3D movie with physical effects that occur in the theatre or cinema in synchronization with the movie
“Android”	Android is a Linux-based operating system designed primarily for touch-screen mobile devices such as smartphones and tablet computers
“art auction turnover”	total value of artworks sold at art auctions, comprised of the hammer price and the buyer’s commission for each artwork
“auction”	a mode of sale by which prospective buyer(s) are invited to compete for the purchase of items by way of increasing bids
“auction catalogue”	a publication prepared by the auction house prior to the auction date, which contains descriptive details and photographs of items available for bidding at the Auction
“auction house” or “auctioneer”	host of the auction and who needs to hold a registered practice certificate in order to practice as an auctioneer
“auction listing agreement”	the agreement entered into between the seller and auction house to establish the auction entrustment relationship
“auction reserve price”	the lowest price the seller is willing to accept for the auction item. If during the course of auction, the highest bidding price does not reach or exceed the reserve price, the auction fails to conclude

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“auction turnover”	total value of artworks or non-artworks sold at auction, comprised of the hammer price and the buyer’s commission for each artwork or non-artwork
“bidding deposit”	deposit payable by the potential buyer to the auction house prior the commencement of the auction in exchange of a bidding card. A potential buyer can show its intention to increase existing bid offers for an article by raising the bidding card. In the event that the potential buyer fails to make payment for the bid article within the contracted period of time, the auction house has no obligation to refund the paid bidding deposit
“boutique auctions”	small-scale auctions (other than the Autumn Auction and Spring Auction) arranged by Poly Auction Beijing and Poly Auction Hong Kong at random periods during a calendar year, each of which can consist of multiple auction sessions
“cinema box office income”	the income made by the cinema from sale of movie tickets to the audience
“cinema circuit”	the companies engaged in movie distribution and screening upon the approval of SAPPRFT. Individual cinema can join the cinema circuit by way of co-investment or contractual arrangement as a pre-requisite of obtaining film prints
“DMax”	refers to Digital Max, a huge screen movie projecting system which is developed by China Science Institute and China Film Group
“DVD”	digital video disc(s) or digital versatile disc(s), a disc-based format, using a compression technology to compress the video signal which, when used with a specialized reproduction apparatus, causes a continuous visual image to be produced on the screen of a TV receiver for viewing
“film print”	digital disc of movies distributed to cinemas

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“hammer price”	the price ascertained by way of the auctioneer dropping the hammer or in any other reasonable manner with the intention of confirming the winning bid for a lot at auction and the sale price. All previous bid offers in the same auction will be void
“IMax”	Image Maximum (IMax) is a motion picture movie format and a set of cinema projection standards created by the Canadian company IMax Corporation. It has the capacity to record and display images of greater size and higher resolution than conventional movie system
“internet”	the decentralized global network connecting computers worldwide
“iPad”	iPad is a line of tablet computers designed and marketed by Apple inc., which runs Apple’s iOS. Its user interface is built around the device’s multi-touch screen, including a virtual keyboard. The iPad has built-in Wi-Fi and, on some models, cellular connectivity
“iPhone”	iPhone is a line of smartphones designed and marketed by Apple Inc. It runs Apple’s iOS mobile operating system and its user interface is built around the device’s multi-touch screen, including a virtual keyboard
“IT”	information and technology
“movie distributor(s)”	movie distribution companies, responsible for the distribution of movies. A distribution company must obtain the operating permit issued by SAPPRFT in order to carry out the movie distribution business in China
“movie producer(s)”	movie production companies, responsible for the production of movies. A movie production company must obtain the permit issued by SAPPRFT in order to produce movies
“Poly-Max”	a giant-screen projection system
“preview exhibition”	a public exhibition held by the auction house pursuant to the relevant laws prior to the auction

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“private sale”	for purpose of this prospectus, private sale refers to one of the following modes of sales (as the case may be): (i) a mode of sale where we function as an agent by matching prospective buyer and seller for sales of artwork or property, particularly those which failed to be sold during a previous auction sale. We generally charge commission from both seller (or consignor) and buyer (or bidder) upon completion for such mode of sale; (ii) a mode of sale where we purchase or sell artworks as a principal
“sourcing”	the process which involves the auction house selecting articles for auctions by way of regular sourcing and directional sourcing events
“special movie fund”	National Film Industry Development Special Fund (國家電影事業發展專項基金) established by the state, who impose a 5% of gross cinema box office income received by cinema(s) located in cities of county level or above, payable by the operating cinema to the State
“Spring Auction”, “Autumn Auction”	these are the two largest auctions each year in terms of scale and quality of items organized by our Company as well as by other industry players, each of which generally consists of multiple auction sessions. The Spring Auction is usually held between April and June of each calendar year while the Autumn Auction is usually held between September and December of each calendar year
“Taobao”	a Chinese language website which facilitates consumer-to-consumer (C2C) retail by providing a platform for small businesses and individual entrepreneurs to open online retail stores that mainly cater to consumers in the PRC, Hong Kong, Macau and Taiwan
“theatre box office income”	the income made by the theatre from sale of theatre tickets to the audience
“tour”	a repertoire arranged by the same company which denotes sets of performance scheduled to be shown at different theatres and time

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“value added of the culture and art industries”	according to the “culture and related industries classification” standard promulgated by the NBSC in 2004, culture and related industry value added is defined as the value associated with the output value in excess of the input value from the production of culture and entertainment goods and services and activities associated with these activities
“Weibo”	Weibo, a term commonly used for microblogging in China
“WeChat”	WeChat, also known as Weixin (微信) is a mobile text and voice messaging communication service developed by Tencent in China. It provides multimedia communication with text messaging, location sharing and contact information exchange