
GLOSSARY OF TECHNICAL TERMS

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

“5H”	a surface hardness rating under the pencil hardness test standard issued by American Society for Testing and Materials, for evaluating the scratch resistance of coatings and surface finishes
“AI”	artificial intelligence
“B1”	a fire performance rating under the GB 8624 standard issued by the Standardization Administration of the PRC, for the classification of reaction-to-fire performance of building materials and products in China
“brand-based sales value”	represent an aggregate sales value of products bearing trademarks, including (i) revenue generated from direct sales of wood-based panels and (ii) the number of wood-based panels manufactured by OEM Partners under IP licensing arrangements, multiplied by selling price of comparable wood-based panels, for the purposes of this document
“CAGR”	compound annual growth rate
“CAM/CAD system”	computer-aided manufacturing system and computer-aided design system, a system that helps designers and draftsmen and reduces manpower costs in the manufacturing process
“CARB Certification”	California Air Resources Board certification, a certification issued by California Air Resources Board in recognition of products that meet California’s stringent emissions standards, particularly for pollutants like formaldehyde
“CMF”	color, material and finish, an area of industrial design that focuses on the chromatic, tactile and decorative identity of products and environments
“COVID-19”	outbreaks of coronavirus disease 2019, an infectious disease caused by the coronavirus

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“CRM system”	customer relationship management system, a strategic system that organizations use to manage, analyze, and improve their interactions with customers
“dual-carbon”	the dual objectives of peaking carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060, forming a key strategic framework for climate action and sustainable development policy in China
“E ₀ ”	a formaldehyde emission grading standard issued by the State Administration for Market Regulation of the PRC for indoor wood-based panels and finishing products, requiring formaldehyde emissions of no more than 0.050 mg/m ³
“E ₁ ”	a formaldehyde emission grading standard issued by the State Administration for Market Regulation of the PRC for indoor wood-based panels and finishing products, requiring formaldehyde emissions of no more than 0.124 mg/m ³
“EB”	electron beam, a curing method that uses high-energy electron beams to rapidly cure panels, coatings, adhesives and other materials
“ERP system”	an enterprise resource planning system
“E _{NF} ”	a formaldehyde emission grading standard issued by the State Administration for Market Regulation of the PRC for indoor wood-based panels and finishing products, requiring formaldehyde emissions of no more than 0.025 mg/m ³
“FSC Certification”	Forest Stewardship Council certification, a certification issued by Forest Stewardship Council in recognition of forest products which come from environmentally appropriate, socially beneficial and economically viable sources
“GB 18580-2025”	decorating and refurbishing materials for interior use — limit on formaldehyde emission of wood-based panels and their products, which is issued by the State Administration for Market Regulation of the PRC

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“GB/T 39600-2021”	formaldehyde emission grading for wood-based panel and finishing products, which is issued by the State Administration for Market Regulation of the PRC
“GB 8624-2012”	classification for burning behavior of building materials and products, which is issued by General Administration of Quality Supervision, Inspection and Quarantine of the PRC (now the State Administration for Market Regulation of the PRC)
“GDP”	gross domestic product, a measure of the aggregate value of goods and services produced by a country or region
“GFA”	gross floor area
“HE _{NF} ”	a formaldehyde emission grading standard regulated in Formaldehyde Emission Limits of Wood-base Panel and Finishing Products Used in Heating Systems (《采暖用人工造板及其製品中甲醛釋放限量》), requiring formaldehyde emissions of no more than 0.025 mg/m ³ measured at around 30°C
“Industry 4.0”	a profound global technological transformation, characterized by the convergence of the physical, digital and biological worlds
“ISO 14001”	an international standard issued by the International Organization for Standardization that specifies requirements for an environmental management system
“ISO”	the International Organization for Standardization, a worldwide federation of national standards bodies
“IT”	information technology
“JAS Certification”	Japanese Agricultural Standard certification, a certification issued by the Japanese Ministry of Agriculture, Forestry and Fisheries in recognition of agricultural, forestry and related products meet specified quality, safety and labeling standards
“m ³ ”	cubic meter

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“MES”	manufacturing execution system, a system used in manufacturing to track and document the transformation of raw materials to finished goods
“mg”	milligram
“OA system”	office automation system
“OEM”	original equipment manufacturing, where a manufacturer manufactures a product in accordance with the customer’s design and specifications and is marketed and sold under the customer’s brand name or under no specific brand
“OEM Partner(s)”	qualified third-party manufacturers that are authorized to manufacture certain product offerings bearing the Company’s trademarks and to sell such products to distributors with whom the Company has entered into distribution agreements, for the purposes of this document
“OEM Supplier(s)”	qualified third-party manufacturers that are authorized to manufacture certain product offerings and to sell such products to the Company, for the purposes of this document
“PET”	polyethylene terephthalate
“PMC system”	production material control system, the integrated system within a manufacturing organization that plans, schedules, supervises and controls both production activities and related material flows throughout the production process
“Province”	a province or, where the context requires, a provincial level autonomous region or a provincial-level city under the direct supervision of the central government of the PRC
“R&D”	research and development
“sq.m.”	square meter, a unit of area measurement in the metric system

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“SRM system”	supplier relationship management system, a system to support supplier sourcing, qualification management, procurement collaboration and supplier performance evaluation through digitalized processes
“suggested retail price”	the price at which a manufacturer recommends that the retailers sell the product, including value-added taxes and excluding discounts offered by retailers
“ton” or “tons”	metric ton or metric tons, 1,000 kilograms equals to 1 ton
“Twelfth Five-Year Plan”	the 12th Five-Year Plan for Economic and Social Development of the PRC, a set of economic goals designed to explain the national strategic objectives, clarify the key priorities of government work, and guide the behavior of market participants between 2011 and 2015
“VOCs”	volatile organic compounds
“WMS”	warehouse management system, a system to organize the work of a warehouse and ensure that such a facility can operate efficiently and meet its objectives
“°C”	degrees Celsius