

## GLOSSARY OF TECHNICAL TERMS

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

Adjusted EBITDA (non-IFRS)	EBITDA (non-IFRS) adjusted by adding back [REDACTED] related to the [REDACTED].
Adjusted EBITDA (non-IFRS) Margin	Adjusted EBITDA (non-IFRS) over total revenues.
AEO (Authorised Economic Operator)	A customs certification granted to businesses that meet certain security and compliance standards, facilitating efficient customs clearance and supply-chain security.
AGV (Automated Guided Vehicle)	A portable robot that follows markers, wires, or sensors to navigate a defined path, used in warehouses and factories for automated material transport.
Aluminum alloy	A metallic material composed primarily of aluminum combined with other elements (e.g., copper, magnesium, silicon) to enhance strength, corrosion resistance, and machinability; used as a basic upstream material in power transmission systems.
Articulated boomlift	A type of mobile elevating work platform with jointed (articulated) boom sections, allowing the platform to reach up, over, and around obstacles to access elevated work areas.
Axle	A mechanical component that connects the wheels to the chassis and the driveline of a vehicle, bearing the weight of the vehicle and cargo and delivering power from the engine and transmission to the wheels.
Backhoe loader	A compact and versatile type of loader that integrates digging, excavating, and loading functions into one machine, prized for its exceptional manoeuvrability in tight construction sites that eliminates the need for multiple specialised machines.
Bearing	A machine element that constrains relative motion and reduces friction between moving parts, supporting rotating shafts and enabling smooth operation of gears and axles.
Brake	A mechanical device that applies friction to slow or stop a rotating component, converting kinetic energy into heat; a core mechanical component in power transmission systems.
CAGR	Compound annual growth rate.
Clutch	A mechanical device that engages and disengages the power transmission between the engine and the powertrain, allowing the operator to control the transfer of torque.

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## GLOSSARY OF TECHNICAL TERMS

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CMM (Coordinate Measuring Machine)	A precision instrument used in quality control to measure the geometry and dimensions of physical objects by sensing discrete points on the surface of the object.
CNC (Computer Numerical Control)	An automated manufacturing process in which pre-programmed computer software controls the movement of factory tools and machinery, enabling precise machining of metal parts.
Combine harvester	A machine that combines reaping, threshing, and cleaning of grain crops into a single operation.
Compact wheel loader	A smaller-sized wheel loader designed for loading, carrying, and dumping materials in confined spaces.
Control valve	A device that regulates the flow, pressure, or direction of hydraulic fluid in a hydraulic transmission system.
Controller	An electronic device or module that manages and coordinates the operation of mechanical, hydraulic, or electrical systems, serving as a core upstream component in power transmission systems.
Conveyor	A mechanical handling device used to move materials from one location to another in a continuous process, commonly found in material handling and industrial applications.
Cotton picker	A specialised agricultural harvesting machine designed to mechanically remove cotton fibres from the plant in the field.
Coupling	A mechanical device that connects two rotating shafts to transmit torque between them, accommodating minor misalignment; a core component in power transmission systems.
CPT (Carriage Paid To)	An Incoterm under which the seller delivers goods to a carrier and pays the freight to bring goods to a named destination. Risk transfers to the buyer when goods are handed to the first carrier.
Crane	A machine equipped with a hoist and cables used for lifting, lowering, and horizontally moving heavy loads in construction, infrastructure, and industrial projects.
Differential	A gear mechanism that allows the wheels on the same axle to rotate at different speeds, which is essential during turning; configurations include open, limited-slip, and full-lock differentials.
Dozer	A large, heavy tracked or wheeled vehicle with a broad blade at the front used to push soil, sand, rubble, and other materials during construction and earthmoving operations.
Drive axle	An axle that receives torque from the engine/transmission and delivers it to the wheels, combining the functions of supporting vehicle weight and propelling the vehicle forward.

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## GLOSSARY OF TECHNICAL TERMS

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Driveline	Axles, transmissions, and related components that transmit power from the engine to the wheels of a vehicle.
Driveshaft	A rotating shaft that transmits torque from the transmission to the axle or differential, bridging the gap between separated powertrain components.
Drum brake	A braking system in which brake shoes press outward against the inner surface of a rotating drum attached to the wheel, creating friction to slow or stop the vehicle.
E-drive unit	A modular electric drive assembly comprising an electric motor, power electronics, and (optionally) a reduction gearbox, designed to replace or supplement conventional mechanical powertrains in electrified machinery.
EBITDA (non-IFRS)	Profit for the year, adjusted by: current and deferred income taxes, net (gains)/losses on foreign exchange, financial costs and expenses, other financial income, depreciation of property, plant and equipment and amortization of intangible assets.
ECL (Expected Credit Loss)	An estimate of the present value of credit losses expected on a financial instrument, used under IFRS 9 for impairment assessment.
Electric drivetrain	A powertrain configuration that uses electric motors, power electronics, and (optionally) a reduction gearbox to propel a vehicle, replacing or supplementing conventional mechanical drive systems.
Electrification	In the context of off-highway equipment, the transition from traditional internal combustion engine-based powertrains to hybrid or fully electric drive systems.
EHS	Environmental, health and safety
End-of-line testing	Quality assurance testing performed on finished products at the end of the production line to verify functionality and compliance with specifications before shipment.
ESG	Environment, safety and governance
Ex Works	An Incoterm under which the seller makes goods available at its premises, and the buyer bears all costs and risks of transporting the goods from that point.
Excavator	A construction machine with a rotating cab and hydraulic arm used for digging, demolition, and material handling; may be tracked or wheeled.

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## GLOSSARY OF TECHNICAL TERMS

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FCA (Free Carrier)	An Incoterm under which the seller delivers the goods to a carrier or another person nominated by the buyer at the seller's premises or another named place. Risk transfers to the buyer upon delivery to the carrier.
FOB (Free on Board)	An Incoterm under which the seller delivers goods on board a vessel nominated by the buyer at the named port of shipment. Risk passes to the buyer once the goods are on board.
Forklift	A powered industrial truck used to lift and move materials over short distances, commonly used in warehouses and material handling.
Four-wheel steering	A steering system in which all four wheels of a vehicle can be turned, providing tighter turning radius, reduced tyre wear, and enhanced manoeuvrability in confined spaces.
FVTOCI	Fair value through other comprehensive income — a classification for financial assets under IFRS 9 where changes in fair value are recognised in other comprehensive income rather than profit or loss.
Gear ratio	The ratio between the number of teeth on two meshing gears, which determines the relationship between the rotational speeds of the input and output shafts, affecting a vehicle's speed and pulling strength (torque).
Gearbox	An enclosed casing containing a set of gears that transmits mechanical power from an input shaft to an output shaft at varying speed and torque levels.
Generator	A machine that converts mechanical energy into electrical energy, used in electric transmission systems to produce the electricity that powers drive motors.
GHG Protocol	Greenhouse Gas Protocol — a set of internationally recognised standards for measuring and reporting greenhouse gas emissions.
Gleason gear tester	A specialised metrology instrument used to inspect the dimensional accuracy and surface quality of gear teeth, ensuring they meet engineering tolerances.
GMM (Gear Measuring Machine)	A specialised metrology instrument used to measure the geometry and accuracy of gears, including tooth profile, pitch, and lead.
Gray iron	A type of cast iron with graphite flakes dispersed in a ferrite or pearlite matrix, widely used for housings, brackets, and structural components in power transmission systems due to its good castability, machinability, and vibration damping properties.
Heavy duty tractor	200 HP or above tractor

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## GLOSSARY OF TECHNICAL TERMS

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High-HP tractor	100 HP or above tractor
Hobbing	A machining process used to cut gears, splines, and sprockets using a rotating cutting tool called a hob.
Horsepower (HP)	A unit of measurement of engine power output; in the off-highway context, it indicates the capacity of a tractor or piece of equipment to perform work.
Hybrid transmission	A system integrating two or more power sources — typically combining mechanical, hydraulic, or electric components — with an energy management system to optimise power delivery.
Hydraulic motor	A mechanical actuator that converts hydraulic pressure and flow into rotational motion, commonly used to power hydrostatic transmissions in telehandlers, wheel loaders, and excavators.
Hydraulic pump	A mechanical device that converts mechanical energy into hydraulic energy by generating flow with enough force to overcome pressure induced by the load; a key component in hydraulic transmission systems.
Hydraulic rear lift	A hydraulically operated lifting mechanism integrated into the rear of a tractor or machine, used to raise and lower attached implements such as ploughs and cultivators.
Hydraulic transmission	A power transmission route that relies on hydraulic pumps, motors, and control valves to transmit power through pressurised fluid.
Hydrostatic transmission	A type of transmission that uses hydraulic fluid pressure to transmit power from the engine to the wheels, commonly used in telehandlers, compact wheel loaders, and wheeled excavators.
Incoterms	A set of internationally recognised commercial trade terms published by the International Chamber of Commerce, defining the responsibilities of buyers and sellers in international transactions (e.g., CPT, Ex Works, FCA, FOB).
Integrated powertrain module	A pre-assembled, self-contained unit that combines multiple powertrain components (e.g., motor, transmission, controls) into one package for simplified installation and integration into a vehicle.
ISO 9001	An international standard specifying requirements for a quality management system (QMS).
ISO 14001	An international standard specifying requirements for an environmental management system (EMS).
ISO 45001	An international standard specifying requirements for an occupational health and safety management system.

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## GLOSSARY OF TECHNICAL TERMS

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ISO 45003	An international standard providing guidance on managing psychosocial risks and promoting well-being at work within an occupational health and safety management system.
ISO 50001	An international standard specifying requirements for an energy management system.
King pin	A large pin or bolt that connects the axle beam to the steering knuckle in an axle assembly, serving as the pivot point for steering.
Loader (generic)	A front-loading machine with a bucket used to scoop and transport loose materials such as soil, gravel, and sand; a major category within construction power transmission equipment.
MEWP (Mobile Elevating Work Platform)	A mechanical device used to provide temporary access for people or equipment to elevated or otherwise inaccessible areas, such as scissor lifts and boom lifts; also known as aerial work platforms.
Off-highway	Refers to vehicles, equipment, or machinery designed for use outside of paved public roads, such as in construction, agriculture, mining, and material handling applications.
Oil seal	A ring-shaped component used to prevent lubricant leakage and the ingress of contaminants at the interface between a rotating shaft and a stationary housing.
Paver	A piece of construction equipment used to lay asphalt or concrete on roads, bridges, and other surfaces in a uniform and even layer.
Permanent magnet direct-drive system	A power transmission configuration that uses a permanent magnet motor coupled directly to the load without a gearbox, eliminating mechanical transmission losses and improving efficiency.
PIPIA	Personal Information Protection Impact Assessment — a mandatory assessment under PIPL to evaluate potential risks to personal information arising from certain data processing activities.
PIPL	Personal Information Protection Law — China’s comprehensive data protection law governing the collection, use, storage, and transfer of personal information.
Power electronics	The branch of electrical engineering dealing with the conversion and control of electrical power using semiconductor devices; essential for managing power flow in electric drivetrains.
Power shift transmission	An advanced automatic transmission that allows the operator to change gears smoothly without interrupting power delivery, improving comfort and productivity.

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## GLOSSARY OF TECHNICAL TERMS

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Power take-off (PTO)	A device that transfers mechanical power from an engine or motor to auxiliary equipment, such as agricultural implements attached to a tractor.
Powertrain	The complete system of components that generate power and deliver it to the road surface or ground, encompassing the engine, driveshaft, differentials, and the driveline.
Power transmission system	The set of mechanical, hydraulic, or electrical components that transmit energy and control motion within machines, serving as the foundational core for mechanised equipment.
PPAP (Production Part Approval Process)	A standardised process in the automotive and manufacturing industries used to demonstrate that a supplier's production process can consistently produce parts meeting all customer engineering design specifications and quality requirements.
QCDD (Quality, Cost, Delivery, Development)	An internal supplier evaluation framework that assesses supplier performance across four dimensions: quality (e.g., defect rates), cost (e.g., competitive pricing), delivery (e.g., on-time performance), and development (e.g., innovation capacity and past performance).
R&D	Research and development.
Rigid axle	A non-steering axle that is fixed in place, typically fitted at the rear of the vehicle.
SAP ERP	An enterprise resource planning software system (produced by SAP SE) used to manage end-to-end business processes including procurement, inventory, production planning, sales order processing, and financial settlement.
SCNPC	The Standing Committee of the National People's Congress of the PRC.
Scraper	A piece of heavy earthmoving equipment used to cut, load, haul, and spread soil or other materials over large areas during grading and levelling operations.
Seeder	An agricultural implement designed to sow seeds in the soil at a uniform depth and spacing to optimise germination and crop yields.
Sensor	An electronic device that detects and measures a physical quantity (e.g., temperature, pressure, vibration, position) and converts it into an electrical signal for monitoring and control.
Service brake	The primary braking system used by the operator to slow or stop a moving vehicle during normal operation; may be configured in inboard, outboard, or on-wheel-hub arrangements.

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## GLOSSARY OF TECHNICAL TERMS

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Shaft	A rotating cylindrical component that transmits torque and rotational motion between machine elements such as gears, pulleys, and couplings; a core mechanical component.
Soil compactor	A machine used to compress soil, gravel, or asphalt to increase its density and stability, commonly used in road construction and earthworks.
Specialty alloy steel	Steels that have been alloyed with various elements (such as chromium, nickel, molybdenum, and vanadium) to achieve specific mechanical or physical properties, commonly used in driveline components.
Sprayer	An agricultural implement that distributes liquid chemicals (e.g., pesticides, herbicides, fertilisers) evenly over crops or fields.
Steering axle	An axle that allows machines to turn sharply and precisely, making it easier to manoeuvre in tight spaces; typically fitted at the front of a vehicle, or at both front and rear on four-wheel steering vehicles.
Suspension axle	An axle equipped with a suspension system to absorb road irregularities, improving ride comfort and stability at higher operating speeds.
TCFD	Task Force on Climate-related Financial Disclosures — a framework for organisations to disclose climate-related risks and opportunities.
Telehandler	A versatile lifting machine designed for rough terrain and extended reach, excelling at lifting, placing, and moving materials across construction sites, farms, and industrial facilities.
Tier-1 supplier	A manufacturer that supplies finished components or systems directly to the end-product manufacturer, as distinguished from lower-tier suppliers that provide sub-components.
Torque	A rotational force that causes an object to rotate; in vehicles, it measures the engine's or motor's twisting force delivered to the wheels.
Torque converter	A fluid coupling device used in automatic transmissions that transfers and multiplies engine torque to the transmission, allowing smooth engagement without a manual clutch.
Transaxle	An integrated unit that combines the transmission, differential, and axle functions into a single, compact assembly, reducing weight, saving space, and simplifying installation; commonly used in tractors and forklifts.
Transfer box	A gearbox component in a driveline system that divides or redirects power from the transmission to multiple axles or outputs.

## GLOSSARY OF TECHNICAL TERMS

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Transmission	A mechanical system that transfers power generated by the engine to the axles, allowing the operator to select different gear ratios to ensure sufficient traction and proper speed, and in some cases enabling the machine to move in both forward and reverse directions.
Transplanter	An agricultural machine that transfers seedlings from a nursery tray into the field at precise spacing and depth, commonly used in rice paddy and vegetable cultivation.
Utilization Rate	Calculated by dividing the actual production by the designed capacity for the relevant period.
Valve	A device that regulates, directs, or controls the flow of a fluid (hydraulic oil, air) by opening, closing, or partially obstructing a passageway; a drive and control component in power transmission systems.
Wheeled excavator	An excavator mounted on a wheeled undercarriage rather than tracks, providing greater mobility on paved or hard surfaces.