# GLOSSARY

***This glossary contains definitions of certain technical terms used in this document in connection with our business. These terms and their given meanings may not correspond to industry standard definitions or usage of these terms.***

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| "alloy" | a compound of two or more elements, at least one of which is a metal, and where the resulting material has metallic properties |
| "anti-demagnetization" | the ability of a permanent magnet to resist demagnetization under external adverse magnetic fields, elevated temperatures or other demagnetizing conditions |
| "ASP" | average selling price |
| "CAGR" | compound annual growth rate |
| "CCD" | charge-coupled device, an image sensor technology used in quality inspection of finished NdFeB PMs, enabling detection of surface defects, dimensional verification, and quality assurance |
| "coercivity" "intrinsic coercivity" | a measure of the ability of a ferromagnetic material to withstand an external magnetic field without becoming demagnetized |
| "Dy-Fe" | Dysprosium-Ferrum, a rare earth alloy |
| "ERP" | enterprise resource planning, a management platform based on information technology that provides decision-making and operating tools for the decision-makers and employees of an enterprises in the light of systematic management |
| "eVTOL" | electric vertical takeoff and landing |
| "grain boundary diffusion technology/GBD" | technology allows the Dysprosium or Terbium to penetrate into the magnet through its grain boundary when the heat treatment temperature is higher than the melting point of Nd-rich phase |
| "Halbach Array" | a special arrangement of permanent magnets that augments the magnetic field on one side while canceling it on the opposite side |
| "HDDs" | hard disk drives, devices that use permanent magnets (such as NdFeB) in their spindle motors and voice coil motors for data storage |
| "high-abundance magnets" | a rare earth permanent magnets that use abundant, low-cost elements like cerium and lanthanum to partially or completely replace scarce, expensive heavy rare earths such as dysprosium and terbium |
| "hydrogen decrepitating" | a process step used in the production of permanent magnets to create extremely small grains in the material |
| "IATF" | the International Automotive Task Force, an "ad hoc" group of automotive manufacturers and their respective trade associations, which aim to provide improved quality products to automotive customers worldwide |
| "IATF 16949" | a technical specification aimed at the development of a quality management system which provides for continual improvement, emphasizing defect prevention and the reduction of variation and waste in the automotive industry supply chain and assembly process |

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| "IoT" | Internet of Things, a network of interconnected devices, sensors, and systems that collect and exchange data in real time |
| "ISO" | the International Organization for Standardization, a non-government organization based in Geneva, Switzerland, for assessing the quality systems of business organizations |
| "ISO9001/ISO27001" | a standard for quality management systems enacted by the International Organization for Standardization (ISO) |
| "kOe" | kilo-Oersted, a unit of magnetic field strength (1 kOe = 1,000 Oe) commonly used to express coercivity in permanent magnets |
| "light rare earth" | rare earth elements that are light in atomic weight, which include lanthanum (La), cerium (Ce), praseodymium (Pr) and neodymium (Nd), as advised by CIC, which is consistent with the industry practice and classification |
| "medium and heavy rare earth" | rare earth elements that are medium and heavy in atomic weight, which include Yttrium (Y), samarium (Sm), europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb), and lutetium (Lu) as advised by CIC, which is consistent with the industry practice and classification |
| "MES" | acronym for manufacturing execution system, a digital system used to monitor, manage and optimize manufacturing processes on the shop floor |
| "MGOe" | Mega-Gauss-Oersted, a unit of maximum energy product (BH)max for permanent magnets, measuring the magnetic strength and performance |
| "Nd" | Neodymium, a rare earth element |
| "NdFeB permanent magnets" or "NdFeB PMs" | permanent magnets made from an alloy of neodymium, iron, and boron that are divided into two subcategories, namely sintered NdFeB magnets and bonded NdFeB magnets based on different manufacturing processes |
| "NEVs" | new energy vehicles |
| "OA" | office automation, a new office solution that combines modern office affairs with computer technology |
| "OIS" | optical image stabilization |
| "permanent magnets" or "PMs" | a material that retains its magnetic properties without external magnetic field |
| "Pr-Nd" | Praseodymium-Neodymium, a rare earth alloy |
| "rare earth" | a set of seventeen chemically similar metallic elements, comprising light rare earth, medium rare earth and heavy rare earth |
| "remanence" | magnetization left behind in a magnetic material (such as iron) after an external magnetic field is removed |
| "sintering" | a heat treatment for mineral powder that applies a temperature below the melting point, the purpose of which is to combine the component particles in order to increase size and strength |

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| "smelting" | a refining technology which extracts metal from ores by such methods as roasting, smelting, electrolysis and the use of chemical reagents, reduce impurities contained in the metal, increase a certain composition of the metal and make the required metal |
| "sq.m." | square meter(s) |
| "Tb" | Terbium, a rare earth element |
| "TISAX" | Trusted Information Security Assessment Exchange, a standardized assessment and exchange mechanism for information security in the automotive industry, developed by the ENX Association in collaboration with the German Association of the Automotive Industry (VDA). |
| "ton" | 1 ton equals to 1,000 kilograms |
| "torque" | the output rotational force generated by the interaction between the magnetic field of the NdFeB PMs in the rotor and the stator's electromagnetic field, influencing motor performance, acceleration, load-carrying capacity |
| "UAV" | unmanned aerial vehicle, an aircraft that operates without a human pilot on board, controlled remotely or autonomously via onboard computers |
| "VCM" | voice coil motor, a linear motor that generates force through a current-carrying coil in a magnetic field, featuring high precision and fast response, widely used in scenarios like autofocus of smartphone cameras and read/write head drive of hard disk drives. |
| "VFAC" | variable-frequency air-conditioner |