

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. These terms and their meanings may not correspond to standard industry meanings or usage, and may not be comparable to similar terms adopted by other companies.

“AI”	artificial intelligence
“basis”, or “basis level”	the price difference between the spot price of an underlying commodity and the futures price of the same or a related commodity
“basis trading”	a trading strategy where positions are taken in both a spot asset and a related futures contract in order to capture movements in the price differential between them
“CAGR”	compound annual growth rate
“commercial power”	the comprehensive rights and capabilities enjoyed by all parties involved in a transaction within the commercial chain, allowing them to influence trade terms, secure commercial benefits, and receive protection under agreements. This includes transaction dominance for controlling key elements and the right to access resources such as opportunities in specific markets or supply chains. In trading business, a typical way to acquire commercial power is through resource exchanges via equity cooperation
“ERP”	enterprise resource planning
“ESG”	environmental, social and governance
“factory warehouse”	a qualification certified by a futures exchange and granted to large-scale traders with strong credit standing, financial strength, and supply capabilities. Such qualification enables the registration of warehouse receipts for futures delivery, primarily based on the trader’s creditworthiness and performance capability, rather than representing a physical warehouse facility or requiring physical inventory holdings
“ferrous metals and steelmaking raw materials”	metals or alloys that contain iron in appreciable amounts, as well as steelmaking raw materials used in the production or processing of such metals or alloys
“GHG”	greenhouse gas
“IDB”, or “Inter-dealer Broker”	an intermediary that facilitates futures and over-the-counter transactions

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“industry-finance integration demonstration base”	a demonstration platform for deep integration of industry and finance, recognized by futures exchanges, industry associations, or relevant regulatory authorities, designed to serve as a standardized application model and promotion vehicle for spot-futures linkage mechanisms within the physical industrial value chain, aiming to facilitate the regulated integration and scalable replication of futures and derivative instruments in industrial scenarios
“IT”	information technology
“Lianzhi cloud ERP system”	a self-developed cloud enterprise resource planning system
“non-ferrous metals”	metals or alloys that do not contain iron in appreciable amounts
“OTC”	over-the-counter
“PTA”	purified terephthalic acid, an organic compound which is used as a main raw material in producing polyester
“RAG”	red–amber–green
“ROE”	return on equity
“TMS”	transportation management system