

## GLOSSARY OF TECHNICAL TERMS

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

“Boring”	boring is the process of enlarging and truing of a hole that has already been drilled or cast by removing material from internal surfaces with a single-point cutter tool (or of a boring head containing several such tools), such as in boring a gun barrel or an engine cylinder
“CNC” or “computer numerical control”	the automation of machine tools (as opposed to manually controlled) that are operated by a computer “controller” that reads programmed commands and drives a machine tool
“ERP system”	enterprise resource planning system
“EXW” or “Ex works”	a shipping arrangement in which a seller delivers when he places the goods at the disposal of the buyer at the seller’s premises or another named place not cleared for export and not loaded on any collecting vehicle
“FOB”	free on board, a shipping arrangement in which a seller delivers when the goods pass the ship’s rail at the named port of shipment
“Forged ring”	a forged ring is a ready-made base plate that comes from a steel manufacturer. It is formed and hot-rolled into a ring shape to meet the specified dimensions for the base plate
“Forging”	forging is a manufacturing process involving the shaping of metal using localised compressive forces. The pounding action of forging deforms and shapes the metal in the form of ring through the ring rolling process
“GB” or “GB/T”	national standards of SAC which are either mandatory (which are prefixed GB) or recommended (which are prefixed GB/T) and may be identical to or modified from or not equivalent to international standards of the ISO
“Heat treatment”	a process by which a metal piece is heated to certain degree for a period of time, and then cooled at a certain rate to room temperature or even lower. Such progress will improve the mechanical properties of the metal piece, such as hardness or durability. Each of quenching and tempering is one of the heat treatment technique

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“HRC”	an abbreviation for Rockwell Hardness measured on the C scale. The abbreviation usually appears after a number, e.g. HRC 22. Rockwell C Hardness is a designation of hardness, usually of steel or corrosion resistant alloys, measured by pressing a specially shaped indenter against a clean prepared surface with a specific force
“Induction hardening”	a widely used process for the surface hardening of steel. It refers to the process by which the surface of a metal part is selectively hardened by induction heating and then quenched. The quenched metal undergoes a transformation, increasing the hardness and brittleness of the part, and yet the properties of the part as a whole is not altered
“Industry 4.0”	“Industry 4.0” the 4th Industrial Revolution, meaning the integration of manufacturing machines, robots, digital tools and computer systems, shifting to more interconnected, efficient and flexible business models, which includes a wide range of technological solutions related to big data, autonomous robots, analytics to streamline supply chain processes, cloud, additive manufacturing and internet of things (IoT), to name a few
“ISO”	the International Organisation of Standardisation, an acronym for a series of quality management and quality assurance standards published by the International Organization for Standardization, a non-governmental organisation based in Geneva, Switzerland, for assessing the quality systems of business organisations
“ISO 9001”	one of the management standards and guidelines of ISO which states the requirement for quality management systems and covers the following management principles — customer focus, leadership, involvement of people, process approach, system approach management, continual improvement, factual approach to decision making and mutually beneficial supplier relationship
“JB” or “JB/T”	recommended industry standards issued by the MIIT relating to machinery
“JIS”	stands for Japanese Industrial Standards. It indicates the standards used for industrial activities in Japan. Japanese Industrial Standards Committee (JISC) coordinates the standardisation process and publishes through the Japanese Standards Association (JSA)
“m”	meter
“medium sized player”	according to the Industry Report, it means slewing ring manufacturers in the PRC with an annual revenue between RMB10 million to RMB100 million
“mm”	millimeter

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“OBM”	original brand manufacturing, whereby the manufacturer sells its proprietary branded products
“ODM”	original design manufacturing, whereby the manufacturer provides the product designs
“OEM”	original equipment manufacturing, whereby our customer provides the product designs and specifications
“Quenching”	a part of heat treatment that processes on the surface of the component on the slewing ring e.g. tooth, raceway, etc. It is heated to a certain temperature and then rapidly cooled in the air to improve the hardness and strength of the metal in order to increase the life and reliability of the ring
“Tempering”	a heat treatment technique that improves the properties of metallic materials. Low temperature tempering heating temperature is about 150–250°C. The martensite produced by quenching remains unchanged, but the brittleness of the steel and the quenching stress are lowered. It is mainly used for tools, rolling bearings, carburised parts and surface hardened parts that require high hardness and high strength
“Trader(s)”	customers/suppliers who conduct trading and/or distribution in their own right and do not possess any warehouse for inventory
“Turning”	turning is a process in which a forging ring is attached to a rotating moving part that spins it and at the same time, a cutting tool is used to trim the edge of the forging ring so as to remove the excessive materials and the rusty part of the forging ring. The forging ring is roughly turned into the designed size
“Wholesaler(s)”	customers/suppliers who conduct trading and/or distribution in their own right and possess a warehouse for inventory
“°C”	the degree Celsius (°C) can refer to a specific temperature on the Celsius scale or a unit to indicate a difference between two temperatures or an uncertainty