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## GLOSSARY OF TECHNICAL TERMS

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*To facilitate a better understanding of the business and operations of our Company, the following glossary contains an explanation and description of certain terms used in this prospectus in connection with our Company and our business and operations. The terms and their assigned meanings may not correspond to standard industry or common meanings, as the case may be, or usage of these terms.*

“4S centers”	sales and service platforms of our associate, ZMJ Suda, to offer aftermarket services generally including: (i) maintenance and overhaul services; (ii) spare parts and components provision; (iii) technical support; and (iv) customer feedback surveys;
“armored-face conveyor” or “AFC”	a chain conveyor used in the integrated coal mining process to transport material from the coal face;
“blast mining”	a coal mining technique that uses explosives such as dynamite to break up a coal seam, after which coal is gathered and loaded onto shuttle cars or conveyors for removal to a central loading area;
“CAD/CAE”	computer-aided design/computer-aided engineering;
“CAGR”	compound annual growth rate;
“CAPP”	computer-assisted process planning;
“CE”	the relevant certification required for imports of coal mining equipment into the European Union;
“coal”	an organic, solid, brittle, more or less distinctly stratified combustible carbonaceous rock, formed by partial to complete decomposition of vegetation;
“coal face” or “working face”	the working area where the extraction of coal takes place in an underground or surface mine;
“coal seam”	a stratum that contains coal within a defined zone;
“crusher”	a component of the integrated coal mining system that reduces larger rocks into smaller rocks, gravel or dust or changes the form of other materials for extraction and/or mining purposes;
“dip”	the natural incline or decline of a coal seam at varying angles;
“electronic hydraulic control systems”	electronic instrumentation and related facilities that control the operation of an integrated coal mining system and, particularly, hydraulic roof supports;

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“EN standard”	the European international manufacturing standard, maintained by CEN, CENELEC and ETSI, for the production of hydraulic roof supports which is widely used worldwide;
“GB25974.1-2010”	the PRC national standard promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC and Standardization Administration of the PRC on January 10, 2011, for the production of hydraulic roof supports with high reliability;
“GFA”	gross floor area;
“GOST”	the relevant certification required for imports of coal mining and excavating equipment into the Russian Federation;
“high-end hydraulic roof support”	a hydraulic roof support that we manufacture in accordance with our internal manufacturing and quality control standards, which, for our high-end hydraulic roof supports, is higher than the PRC domestic MT312-2000 standard and, in certain areas, higher than the EN standard that is widely used worldwide;
“hydraulic prop”	a support device consisting of telescopic cylinders that can be used for permanent or temporary roof support in mining operations;
“hydraulic roof support”	a kind of specialized machine that uses hydraulic mechanisms to support and control the roof of coal mining sites to protect the safety of coal miners and equipment;
“integrated coal mining and excavating system”	in the coal mining process, an integrated coal mining and excavating system generally comprises four different kinds of coal mining and excavating equipment, i.e., the hydraulic roof support, armored-face conveyor, shearer and roadheader;
“km”	kilometer, a unit of measurement for distance;
“kN”	kilonewton, a unit of measurement for force;
“kW”	kilowatts, a unit of measurement for power;
“line pan”	a trough or section of an armored-face conveyor;
“loader”	a component of the longwall coal mining system which transports extracted coal outside the coal mining area;

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“longwall coal mining”	a fully mechanized underground mining method in which the coal face is supported by hydraulic roof supports or shield while the coal is excavated by a shearer and/or roadheader, and then transported to the surface by armored-face conveyors. When mining of the longwall panel has been completed, the longwall system is moved to a new mining area;
“m <sup>2</sup> ” or “sq.m.”	square meters, a unit of measurement for area;
“medium and thick plate”	steel plate with a thickness between 4.0mm to 25.0mm that can be welded, cut, heat treated and subject to other processes in the construction and manufacturing industries is classified as medium plate. Steel plate with a thickness of more than 25.0mm is classified as thick plate and with a thickness of at least 100.0mm is classified as super-thick plate;
“medium-end hydraulic roof support”	a hydraulic roof support that we manufacture only in accordance with the PRC MT312-2000 industry standard promulgated by the PRC Coal Industry Bureau on December 8, 2000, which is the minimum technical standard for hydraulic roof supports in the PRC;
“mm”	millimeters, a unit of measurement for distance;
“MT312-2000”	the PRC domestic manufacturing standard, promulgated by the PRC Coal Industry Bureau, for the production of hydraulic roof supports;
“OA system”	office automation system, which refers to varied computer hardware and software used to digitally create, collect, store and manipulate office information needed for accomplishing relevant tasks;
“rib spalling”	a landslide or collapse of the mining rib that occurs in the mining working face;
“roadheader”	a kind of machine which can cut, load, convey and transport coal and rock, and can be used in underground coal mines as well as metal mines and construction work carried out in tunnels;
“room-and-pillar coal mining”	a coal mining technique which divides the coal seam into rooms and pillars in a grid pattern, where pillars of coal remain to support the roof;
“shearer”	a rotating cutting device used in underground mining to remove coal from the coal seam;

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“t/h”	tonnes per hour;
“thick coal seam”	typically hard igneous and/or metamorphic rock seam with diverse layering patterns and a thickness of above 3.5 meters, which requires certain types of mining techniques such as blast mining;
“thin coal seam”	typically soft sedimentary rock seam with common layering patterns and a thickness of 0.7 meters to 1.3 meters, which allows for certain types of mining techniques such as longwall mining and room- and-pillar coal mining;
“three soft coal seam”	a coal seam that has a soft roof, soft floor and soft coal quality;
“underground coal mining”	the extraction of coal or its by-products from rock strata by underground mining methods such as room-and-pillar coal mining, shortwall (continuous) mining and longwall mining;
“utilization rate”	percentage of total resources that can be utilized and, in our case, calculated as actual production volume for the relevant period divided by the weighted average production capacity during the same period; and
“welding”	the physical process involving the creation of a permanent linkage through the heating of two similar types of material with bonding materials.