

## GLOSSARY OF TECHNICAL TERMS

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*This glossary of technical terms contains terms used in this prospectus as they relate to our business. As such, these terms and their meanings may not always correspond to standard industry meaning or usage of these terms.*

“acacia”	a hardwood tree specie that can be used for industrial, medicinal, ornamental and culinary purposes
“bindang”	a softwood tree specie used for interior finishing, decorative paneling, high-class joinery and cabinet work, fancy veneer and plywood, furniture, drawing board and pattern-making
“CE Marking”	a European product marking showing that a product complies with the Construction Products Directive 89/106/EC
“CIF”	“cost, insurance, freight”, a trade term requiring the seller to arrange for the carriage of goods by sea to a port of destination, and provide the buyer with the documents necessary to obtain the goods from the carrier
“CNF”	“cost and freight”, a trade term requiring the seller to arrange for the carriage of goods by sea to a port of destination and provide the buyer with the documents necessary to obtain the goods from the carrier. Under CNF, the seller does not have to procure marine insurance against the risk of loss or damage to the goods during transit
“concession”	an area of land licensed from a relevant government for the production and export of logs in accordance with guidelines and restrictions set by the respective government
“coupe”	a sub-division of a concession area for harvesting
“douglas-fir”	a softwood tree specie whose wood is dense, hard, stiff, durable and strong. It is a multi-use species which can be used for sawn timber, veneer, plywood and pulp and paper as well as further value added products
“fiberboard”	a type of board composed of wood fiber bonded together with resin and compressed into boards
“FOB”	“free on board”, a trade term requiring the seller to deliver goods on board a vessel designated by the buyer. The seller fulfils his obligations to deliver when the goods have passed over the ship’s rail.

“greenheart”	a high density hardwood tree specie from Guyana which is olive green or yellow in color and is used mainly for piers, piling, lock gates, docks and harbor and marine defense works. It is also used for decking
“hardwood”	timber produced from any broad-leaved trees and short fibered wood which can be temperate or tropical
“HDF”	“high density fiberboard”, a fiberboard which has a higher density than MDF of 500–1,450 kg/m <sup>3</sup>
“helicopter logging”	an aerial harvesting system whereby logs are lifted out vertically from the forest and flown to the roadside or drop zone. It is an alternative method of harvesting compared to the ground-based method of harvesting using tractors
“kabukalli”	a medium to large hardwood tree specie from Guyana. It is hard and heavy and can be used for furniture and cabinets
“kapur”	a hardwood tree specie which is usually very large. It is hard and durable and can be used for plywood, veneer, flooring and exterior joinery products
“keruing”	a hardwood tree specie whose wood is moderately durable and can be used for plywood and veneer products for marine construction, heavy construction, light construction and interior construction
“khaya”	a genus of seven species of trees in the mahogany family Meliaceae, that can be used for marine construction, heavy construction, light construction, panel products and furniture
“LVL”	“laminated veneer lumber”, an engineered wood products manufactured from veneers laminated together so that the grains of the veneers run parallel or overlap
“MC&I”	Malaysian Criteria, Indicators, Activities and Standards of Performance for Forest Management Certification, issued by MTCC, the standard used in Malaysia for assessing forest management practices in the permanent forest estate at forest management unit level for the purpose of certification
“MDF”	“medium density fiberboard”, a fiberboard which has medium density of 160–450 kg/m <sup>3</sup> which is mainly used as a substitute for plywood, particleboard and solid sawn timber

“meranti”	a hardwood tree specie which is large in size and durable, it is used for plywood, general construction, furniture fittings and other purposes
“mora”	a hardwood tree specie which is durable and can be used for making industrial flooring, railroad crossties, shipbuilding and heavy construction
“net operable area”	area of forest which can be commercially logged in accordance with the relevant government rules, excluding non-commercial forest or areas of rugged and steep terrain, areas of swamps, water catchment areas, protected river zones, areas of shifting agriculture, areas reserved for the indigenous population or other environmental reserves
“net plantable area”	area of plantation which can be commercially planted, excluding greenbelt areas for selective logging, areas of shifting agriculture, native customary reserve areas, reserves, buffer areas and areas for infrastructure such as roads, camps and fire breaks
“panel products”	a class of forest products sold in the form of sheets or panels of various dimensions and thickness, including softwood and hardwood plywood, particleboard, fiberboard and hardboard
“particle board”	a form of composition board made by binding wood particles, which range in size from flakes to sawdust, together with a suitable adhesive, such as a plastic resin, and pressing them to form sheets
“peeler grade logs”	peelable logs which can be used for veneer and plywood manufacture
“plywood”	a glued wood panel made up of thin layers of veneer with the grain of adjacent layers at right angles, or of veneer in combination with a core of lumber or of reconstituted wood
“primary forest”	a forest which is naturally standing and which has never been logged. Primary forests include those that are used inconsequentially by indigenous and local communities living traditional lifestyles relevant for the conservation and sustainable use of biological diversity
“pruning”	the practice of removing limbs/branches from the stem of the tree to enable the tree to produce larger quantities of clearwood upon manufacturing into end products

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“pulp grade logs”	lower quality logs which are suitable for use in the manufacture of pulp and paper products
“purpleheart”	a hardwood tree specie which has a deep purple color. The wood is highly durable and can be used for fine inlay work, fine furniture and cabinetry, parquet flooring, decorative and figured veneer, and many specialty items such as handles, billiard cue butts and carving
“radiata pine”	a softwood tree specie which is suited to a considerable range of growing conditions and is easily raised and planted. It can be readily sawn, peeled, or converted to pulp, has good nail-holding power, works well, can be easily stained, and when treated with preservatives, is suitable for long-life applications in the ground
“rated production capacity”	the estimated production capacity for a machine based on the design capacity of the machine, determined based on an assumed number of days of operation over a prescribed period and for certain products, an assumed type of product mix
“reconstituted panel products”	wood panel products produced by processes involving pressure, adhesives and binders
“reduced impact logging”	the use of site-sensitive harvesting techniques to minimize environmental damage
“rotary lathe”	a piece of machinery which rotates to produce a continuous veneer ribbon of uniform thickness for shaping articles of wood, metal, or other material, by causing them to revolve while acted upon by a cutting tool
“rubber” or “rubberwood”	a hardwood tree specie which has good gluing properties, good dimensional stability and accepts stains and clear finishes evenly
“salvage logs”	merchantable timber harvested during the land clearing operation associated with the establishment of plantations
“sawmill grade logs”	logs which are suitable for conversion into a variety of lumber products through sawing in a sawmill
“sawn timber”	timber that has been cut into boards for construction or furniture making

“selangan batu”	a hardwood tree specie whose wood is durable and is suitable for heavy construction, bridges, wharves, railway sleepers, piling, keels, framework of boats, dock blocks, fenders, framework of carriages, door and window frames, heavy-duty flooring and heavy-duty furniture
“SFM” or “sustainable forest management”	the process of managing forest to achieve one or more clearly specified objectives of management with regard to the production of a continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undue undesirable effects on the physical and social environment
“veneer”	thin timber sheets of uniform thickness peeled by rotary lathe cutting a log, sliced or sawn from sawn timber and logs. It can be used for a number of purposes including production of plywood, paneling and LVL furniture
“woodflow”	a technical term to describe the amount of wood being harvested from a forest (plantation or natural forest). It may be expressed either as a total cumulative amount over numerous periods or as an annual figure. Woodflows are normally constrained by a combination of the capacity of the forest to produce, management intentions and in specific cases imposed quotas