

---

## GLOSSARY OF TECHNICAL TERMS

---

This glossary of technical terms contains terms used in this document as they relate to our business and as they are used in this document. They may not correspond to standard industry meaning or usage.

"beech"	<i>Fagus spp.</i> , a hardwood tree, which wood is used to produce a variety of solid wood products such as wood panels, furniture, flooring and construction materials (for more details, please refer to Appendix 1 of the Independent Technical Report as set out in Appendix V to this document)
"birch"	<i>Betula alanooides</i> , a hardwood tree, which wood is strong and durable, and is used for producing a variety of solid wood products such as wood panels, furniture, flooring and other construction materials (for more details, please refer to Appendix 1 of the independent technical report prepared by CFK as set out in Appendix V to this document)
"Chinese fir"	<i>Cunninghamia lanceolata</i> , a softwood tree, which wood is highly durable, easily worked, resistant to insects and termites, and is commercially and widely used in China for making wood panels, plywood, furniture and pulp (for more details, please refer to Appendix 1 of the Independent Technical Report as set out in Appendix V to this document)
"CIF"	cost, insurance 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
"clear logging"	logging of all the trees planted in the forest, which is usually applied to the mature or over-mature single-canopied forest and to an area which generally does not exceed 5 hectares, or in Chinese, 皆伐
"commodity forest"	forest which timber is logged for commercial purpose
"principle logging"	logging of the mature or over-mature timber stands for the purpose of obtaining logs, which is further divided into clear logging, shelterwood logging and selective logging, or in Chinese, 主伐
"fuelwood"	wood used as fuel, usually of lower quality logs
"GIS"	Geographical Information System, a system which integrates hardware, software, and data for capturing, managing, analysing, and displaying all forms of geographically referenced information
"GPS"	Global Positioning System, a navigation and precise-positioning tool
"harvestable forest"	forest which falls within the category of timber stand under the functional categorisation of forest by SFA and therefore is allowed for logging for commercial use

---

## GLOSSARY OF TECHNICAL TERMS

---

"hardwood"	tree species primarily from broad-leaved trees or angiosperms distinguished from softwoods by cell structure, examples include birch, beech, and alder
"HDF"	high density fibreboard
"immediately harvestable forest"	forest which falls within the category of timber stand under the functional categorization of forest by SFA and which logs are generally marketable (there is no definite age which the forest must attain in order to be classified as "immediately harvestable", however the "immediately harvestable forest" usually has reached or is near the stage of "mature forest")
"MDF"	medium density fibreboard
"middle-aged forest"	forest which has grown in full and which logs are generally marketable
"mature forest"	forest which growth has become very slow or has stopped and which logs are generally marketable
"naturally regenerated forests"	forests of naturally occurring and naturally regenerated native species
"non-commodity forest"	forest which timber is logged for self-use purpose by the villagers and for firewood
"plantation forests"	forests of introduced species, and in some cases native species, established through planting or seeding
"plywood"	layers of veneer, consisting of an inner core (lower quality veneer) joined with an adhesive to a face veneer and a back veneer (higher quality veneer), and can be used for both structural and appearance purposes
"regeneration logging"	the logging conducted in order to resume and enhance the utility of the protection forests and the forests for special uses, or in Chinese, 更新採伐
"roundwood"	wood in log form
"sawnwood"	lumber solid dimension pieces of wood that have been sawn from a log
"selective logging"	selective logging of forest, which is usually applied to multi-canopied forest with a large amount of middle and young aged trees, or in Chinese, 擇伐
"shelterwood logging"	logging for the purpose of natural reforestation, which is usually applied to the mature or over-matured single-canopied forests with strong natural reforestation ability, or in Chinese, 漸伐

---

## GLOSSARY OF TECHNICAL TERMS

---

"softwood"	tree species primarily conifers and distinguished from hardwoods by cell structure, examples include Chinese fir, Radiata pine, Russian pine, Russian larch, and cedar
"stumpage"	sales price less costs of production (which usually includes logging, transport, road construction and indirect sales costs)
"temperate hardwood"	hardwoods grown in temperate climate
"tending logging"	logging conducted in order to cultivate the young and pre-mature forests, or in Chinese, 撫育採伐
"timber stand"	forests and trees mainly aimed at timber production, or in Chinese, 用材林
"tropical log"	generally refers to hardwood tropical logs sourced from regions between the Tropic of Capricorn and Tropic of Cancer
"veneer"	thin sheets of wood obtained by either rotary peeling a round log or slicing thin sections of wood from a round log, and are classified according to grade and thickness with highest quality referred to as face veneer, next highest as back and the lower quality as core. Face veneer is often used as an overlay on MDF or particleboard as well as in the manufacture of plywood
"Yunnan Pine"	<i>Pinus yunnanensis</i> , a softwood tree, which wood is commercially and widely used for making wood panels, plywood, furniture and pulp (for more details, please refer to Appendix 1 of the independent technical report prepared by CFK as set out in Appendix V to this document)
"young forest"	forest in growth and which logs are generally not marketable