

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms used in this document in connection with our Company and our business. The terminology contained in this glossary and their given meanings may not correspond to standard industry meaning or usage of these terms.

“5G”	a new generation of mobile communication technology characterized by high data transmission speed, ultra-low network latency and massive device connectivity
“AI”	artificial intelligence
“big data”	large and diverse data sets able to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information assets under new processing model for greater decision-making power, insight and processing optimization capabilities
“CAGR”	compound annual growth rate
“Commercial Vehicle” or “CV”	motor vehicles designed and engineered primarily for commercial operations, including the transportation of passengers, goods, or the towing of trailers, operating as essential means of production
“CRM”	customer relationship management
“CX”	our store management system that supports the full sales process for all our operating stores nationwide
“EPCs”	electronic parts catalogs, meaning digital catalogs whose promotion and application have further enhanced the transparency of spare parts distribution and the traceability of product quality
“ERP”	enterprise resource planning, meaning digital management systems utilized by midstream commercial vehicle service providers to feed end-user behavior data back to upstream suppliers to optimize inventory management
“FOB”	free on board, an Incoterm under which the seller delivers goods on board a vessel nominated by the buyer at the named port of shipment with risk passing to the buyer once the goods are on board
“GMV”	gross merchandise volume, meaning the total transaction value of all goods sold within a specified period, including actual sales, returns and order cancellations
“IAM”	independent aftermarket, meaning a segment of the spare parts market providing cost-effective alternatives that end-users are increasingly adopting to substitute original equipment supplier (OES) parts

GLOSSARY OF TECHNICAL TERMS

“IoT”	internet of things, meaning digital technology whose continuous application in the commercial vehicle sector is shifting service models from traditional reactive repair to predictive maintenance (PdM)
“M&R”	maintenance and repair
“NEV”	new energy commercial vehicle
“OEM”	original equipment manufacturer and, in the context of our business, primarily refers to automotive manufacturers which assemble and install automotive parts into complete vehicles during the construction of a new vehicle
“OES”	original equipment supplier, meaning suppliers of original parts that are gradually being substituted by cost-effective independent aftermarket (IAM) parts due to end-users’ strict requirements on operating cost control
“PdM”	predictive maintenance, meaning a service model that identifies potential fault risks in advance through real-time monitoring and analysis of vehicle operating status and key component data, thereby reducing unplanned vehicle downtime
“SaaS”	software as a service, meaning management tools used by commercial vehicle service providers to offer real-time SKU search and efficient warehousing and distribution support to downstream clients
“SAP ERP system”	an enterprise resource planning software system acted as an integrated business and financial back-office platform covering finance, procurement, sales and inventory management.
“SKU”	stock-keeping unit
“SRM”	supplier relationship management
“TCO”	total cost of ownership, meaning the total cost evaluated over the vehicle lifecycle, encompassing energy costs and certain maintenance expenditures, which logistics enterprises and end-users continuously aim to optimize
“TMS”	transportation management system
“TVO”	total value of ownership
“vehicle parc”	the total number of in-use commercial vehicles within a specific region or market at a given time, also referred to as vehicle fleet stock
“WMS”	warehouse management system