
GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“AI”	artificial intelligence, the use of machine to aid or replace human in doing certain tasks by simulating the sight, hearing, senses and thinking of human
“ARPO”	average revenue per order
“ARPU”	average revenue per paying user
“CAGR”	compound annual growth rate calculated as $\left(\frac{V_{(tn)}}{V_{(t0)}}\right)^{\frac{1}{tn-t0}} - 1$, V _(t0) : start value, V _(tn) : finish value, tn-to: number of years
“DTP”	direct-to-patient
“DTP pharmacies”	the pharmacies mainly provide patients with new speciality drugs directly after they receive prescriptions in hospitals and get professional medication services, which are also part of our smart pharmacy network and fully digitalized with functions such as smart drug selection, smart dispatchment and smart consultation, etc.
“FSC Alliance for Pharmaceutical Enterprises”	the alliance of factory service customer, an alliance of more than 200 pharmaceutical enterprises.
“GMV”	gross merchandise volume, the total value of all orders placed on our mobile platform, including orders for products and services placed in our health mall business under both the direct sales and marketplace models, regardless of whether the goods are sold or delivered or whether the goods are returned
“IT”	a computer system — including all hardware, software, and peripheral equipment — operated by a limited group of users
“MAU”	users that logged in at least once during the applicable month through our self-operated online platforms
“OTC medicine(s)”	drugs which may, upon receiving the NMPA’s approval, be sold over the counter in China at dispensers, pharmacies or retail outlets without requiring a prescription by a medical practitioner
“O2O”	online-to-offline

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“SKU”	stock keeping unit, offered through our online direct sales and on our online marketplace. The number of SKUs does not represent the number of distinct products offered through our health mall. We may assign different SKUs to the same product if it is sourced from different suppliers or if it is sold both via our direct sales and online marketplace or by more than one supplier or marketplace vendor
“smart pharmacies”	the pharmacies owned by us (including DTP pharmacies) and located by our E-zoning technology, which mainly adopted the online-order and offline-delivery model. Our users can purchase products from online platforms and receive them through pick-up at or offline delivery from such pharmacies