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## GLOSSARY

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*This glossary contains certain technical terms used in this document in connection with our Company and our business. Such terms and their meanings may not correspond to standard industry definitions or usage.*

“AI”	artificial intelligence
“big data”	large and diverse data sets used 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
“Business Tax to Value-Added Tax Reform”	a tax reform implemented by the PRC government and commenced in pilot cities in 2012 and fully implemented in 2016 that reclassifies certain taxable income from business tax to value-added tax
“cloud solutions”	cloud computing or cloud services, which deliver IT resources on demand over the internet
“digital invoice(s)”	the fully digitalized invoice is a completely new type of VAT e-invoice. It has been launched by the SAT in December 2021, which adopted a new data-driven management concept. It has simplified issuing and obtaining procedure. Taxpayers can issue a fully digitalized invoice as soon as they start the business and there will be no conventional prepositive procedures. It has the same legal effect and usage as the existing paper invoice and VAT e-invoice and would replace the existing paper invoice and VAT e-invoice in the future
“Digital Invoice Service Platform (電子發票服務平台)”	a nationwide unified electronic invoice service platform launched by the SAT, which provides taxpayers with full-time, online services for applying for, issuing, delivering, and verifying electronic invoices free of charge. The Digital Invoice Service Platform currently consists of two systems: Direct Connection System and Web-based System
“Direct Connection System”	also known as Natural System (樂企), a system provided by the SAT to eligible enterprises that connects the SAT’s tax system directly with the enterprises’ own information systems and offers digital invoice services

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“dollar-based retention rate”	the quotient from dividing the relevant revenue generated from customers for a particular solution in a given period, by the relevant revenue generated from the same group of customers in the preceding period
“e-invoice(s)”	electronic invoice(s), referring to the receipt and payment vouchers issued and received in data messages during the purchase and sale of commodities, provision or acceptance of services and other business activities. Electronic invoices are available in layout document format and non-layout document format, which can be downloaded and stored in electronic storage devices and circulated in the form of digital messages. In the context of tax invoices, e-invoices, launched by the SAT in 2012, are the digitalized form of traditional paper invoices. The management processes and methods of e-invoices are substantially the same as paper invoices, which set forth limitation on the number and amount of invoices issuable, and require application for blank invoices from the SAT
“financial service provider(s)”	an institution or company that offers a range of services, including banking, lending, investment, insurance, and financial planning, to individuals, businesses and organizations to help them manage and optimize their financial resources, such as commercial banks, micro-lending companies and fintech companies
“Golden Tax Project (金税工程)”	the information management system project based on computer network that adopts advanced technology, that effectuates interconnection of tax authorities and information sharing of related departments, and covers all tax types and tax management processes
“information security hardware”	equipment utilizing information security technology, used primarily for issuing, collecting and filing of transaction documents, and recording and filing taxes
“invoice”	proof of receipt and payment issued and collected for purchase and sale of commodities, provision or acceptance of services, and other business activities

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“input VAT”	the value-added tax paid or borne by a taxpayer typically for purchasing goods, receiving services, and acquiring intangible assets
“IT”	information technology
“KA customer(s)”	key account customer(s), or KA customer(s), is a commonly utilized operating metric. As for our Company, KA customer(s) of a specific year/period refers to customer(s) of our cloud financial & tax digitalization solutions with revenue contribution of RMB100,000 or more during the corresponding year/period
“licensed credit reporting agency”	institutions with legally required licenses and approvals that are mainly engaged in the business of collecting, collating, storing and processing credit information of enterprises and individuals and providing such information for information users
“machine learning”	the study of computer algorithms that improves automatically through experience
“mid-market customer(s)”	mid-market customer(s) of a specific year/period refer to customer(s) of our cloud financial & tax digitalization solutions with revenue contribution of less than RMB100,000 in during the corresponding year/period
“non-paying user(s)”	user(s) of our complimentary applications that provide basic functions of tax invoice generation, printing, search and delivery
“OFD”	open fixed-layout document, the preferred permitted format for the storage, exchange and filing electronic documents, electronic licenses and electronic archives according to the Measures for Accounting File Management (會計檔案管理辦法)
“on-premises”	if a software is on-premises, it is installed and runs on computers on the premises of the person or organization using the software, rather than at a remote facility such as a server farm or cloud
“output VAT”	the value-added tax paid or borne by taxpayers based on sales amounts

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“SaaS”	software as a service, which is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted
“SMB financing”	the provision of financing to small and micro-sized businesses by licensed financial service providers including commercial banks, factoring and leasing companies, and micro-lending companies, among others
“tax identification number(s)”	unique and permanent digital code identifier(s) assigned by tax authorities to taxpayers, including enterprises and individuals
“tax invoice(s)”	the payment voucher(s) issued and collected for purchase and sales of goods and services or in other business activities, which can be used for tax payment and filing purposes and as accounting vouchers. Tax invoices, categorized by delivery medium, include traditional paper tax invoices, e-invoices and digital invoices
“transaction documents”	documents that reflect business transactions, including among others, invoices, receipts, bills, and other accounting records
“VAT” or “value-added tax”	a turnover tax levied on the basis of the value-added amount of goods (including taxable services) generated in the circulation process of such goods
“VAT e-invoice(s)”	tax invoices electronically designed and issued under the supervision of the SAT, which are important accounting vouchers evidencing taxpayers’ input VAT and output VAT liabilities. VAT e-invoices use digital signature instead of the invoice special seal, which has the same legal effect as the VAT paper invoices
“VAT invoice(s)”	the critical accounting voucher(s) issued for VAT payment purposes, including primarily ordinary VAT invoices, special VAT invoices, and uniform motor vehicle sales invoices
“Web-based System”	a web-based system that offers taxpayers digital invoice services, which normally requires manual login and operations by the taxpayers if they do not use the complimentary applications provided by third-party solution providers