

JDi 京东工业

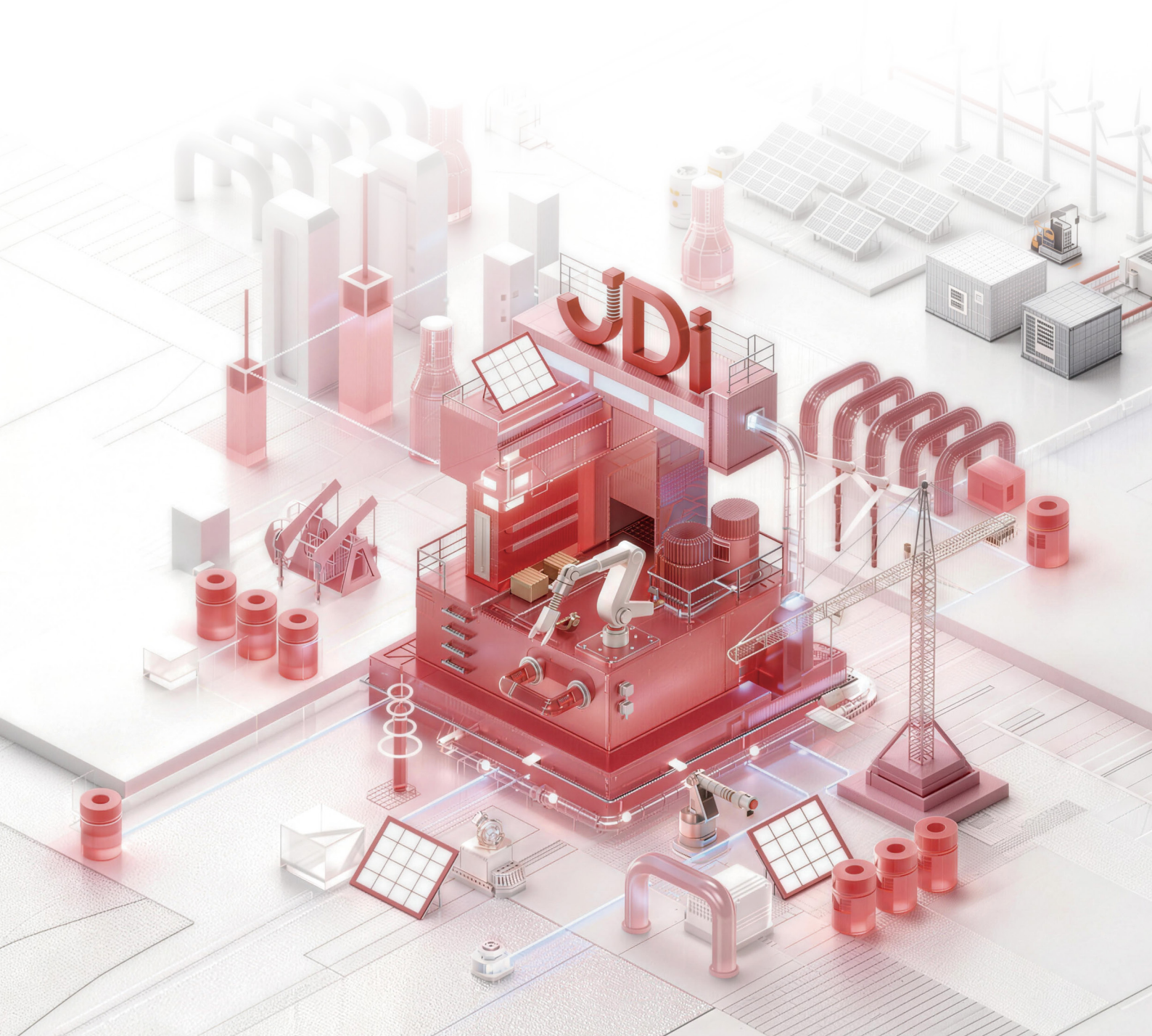
JINGDONG Industrials, Inc.

京东工业股份有限公司

(A company incorporated in the Cayman Islands with limited liability)

Stock Code: 7618

2025 Annual Report



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CORPORATE INFORMATION

Board of Directors

Executive Director

Chunzheng Song (宋春正) (*Chief Executive Officer*)

Non-Executive Directors

Richard Qiangdong Liu (劉強東) (*Chairman*)

Bingdong Xu (徐炳東)

Independent Non-Executive Directors

Po Fong Nancy Ku (顧寶芳)

Hanhui Sam Sun (孫含暉)

Xin Tang (湯欣)

Audit Committee

Hanhui Sam Sun (孫含暉) (*Chairperson*)

Po Fong Nancy Ku (顧寶芳)

Xin Tang (湯欣)

Remuneration Committee

Po Fong Nancy Ku (顧寶芳) (*Chairperson*)

Chunzheng Song (宋春正)

Xin Tang (湯欣)

Nomination Committee

Richard Qiangdong Liu (劉強東) (*Chairperson*)

Po Fong Nancy Ku (顧寶芳)

Hanhui Sam Sun (孫含暉)

Company secretary

Ming King Chiu (趙明璟)

Authorized representatives

Chunzheng Song (宋春正)

Ming King Chiu (趙明璟)

Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

Registered office

PO Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

Headquarter

3rd Floor, Building 4, JD National Headquarters

No. 59 Kechuang 11 Street

Yizhuang Economic and Technological Development Zone

Daxing District

Beijing 101111, People's Republic of China

Principal place of business in Hong Kong

Room 1901, 19/F

Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

Legal advisors

As to Hong Kong Law and United States Law

Skadden, Arps, Slate, Meagher & Flom and affiliates

As to PRC Law

Shihui Partners

As to Cayman Islands Law

Maples and Calder (Hong Kong) LLP

Principal share registrar and transfer office

Maples Fund Services (Cayman) Limited

P.O. Box 1093, Boundary Hall

Cricket Square, Grand Cayman

KY1-1102, Cayman Islands

Hong Kong share registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen’s Road East
Wan Chai
Hong Kong

Principal banks

Bank of China Limited, Head Office
Industrial and Commercial Bank of China Limited
HSBC Bank (China) Company Limited

Stock code

7618

Company website

<https://ir.jingdongindustrials.com/>

FINANCIAL SUMMARY

Condensed consolidated statements of profit or loss and statements of comprehensive income/(loss)

	Year ended December 31,			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	23,951,789	20,397,741	17,335,883	14,134,695
Gross profit	4,167,605	3,313,385	2,798,664	2,540,908
Profit/(loss) before income tax	2,465,289	882,603	160,358	(1,027,317)
Profit/(loss) for the year	2,313,723	761,608	4,799	(1,269,132)
Profit/(loss) for the year attributable to owners of the Company	2,313,723	761,608	4,799	(1,334,128)
Total comprehensive income/(loss) for the year	2,301,999	710,082	(73,062)	(1,453,794)
Total comprehensive income/(loss) for the year attributable to owners of the Company	2,301,999	710,082	(73,062)	(1,518,790)
Non-IFRS measures:				
Non-IFRS profit for the year	1,130,742	1,073,441	901,076	765,806

Condensed consolidated statements of financial position

	As of December 31,			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
ASSETS				
Non-current assets	1,103,856	1,101,028	1,209,010	1,270,902
Current assets	18,148,252	13,556,008	10,872,773	7,035,736
Total assets	19,252,108	14,657,036	12,081,783	8,306,638
EQUITY				
Equity attributable to owners of the Company	11,209,299	486,991	(342,490)	(749,388)
Total equity	11,209,299	486,991	(342,490)	(749,388)
LIABILITIES				
Non-current liabilities	9,574	7,724	10,963	16,379
Current liabilities	8,033,235	14,162,321	12,413,310	9,039,647
Total liabilities	8,042,809	14,170,045	12,424,273	9,056,026
TOTAL EQUITY AND LIABILITIES	19,252,108	14,657,036	12,081,783	8,306,638



CEO STATEMENT

Dear Shareholders,

The year 2025 marked a significant milestone in our development journey. Our successful listing on the Hong Kong Stock Exchange signifies that JD Industrials has entered a new phase of development. Looking back on our development journey, JD Industrials has stayed on track with its mission of “committing to the highest level of operational efficiency in the industrial world through technology.” To achieve this, we have been steadfastly advancing our efforts in the end-to-end digitalization of the industrial supply chain, striving toward our vision of “becoming a world-leading industrial supply chain technology and service provider.”

In 2025, China advanced its “innovation-driven development” strategy. This entailed accelerating the transformation and upgrading of traditional industries, and shaping new quality productive forces. The industrial and manufacturing sectors play an increasingly prominent role in the national economy, and the industrial structure underwent continuous optimization. Furthermore, Artificial Intelligence (AI) technologies, especially large language model (LLM), are accelerating their deployment in industrial scenarios. The expanding application scenarios for “AI + Manufacturing” are paving new technological pathways for efficiency enhancement and model innovation in the industrial sector.

As a leading industrial supply chain technology and service provider, we have leveraged our well-established technical expertise to pioneer a comprehensive strategy for the end-to-end digitalization of the industrial supply chain. We have established a digital highway that connects supply and demand, applies to diverse industries, and accommodates different types of products, enabling efficient collaboration across every stage of the industrial chain. In 2025, we continued to achieve significant breakthroughs in the innovation of industrial supply chain solutions, providing end-to-end industrial supply chain digital solutions for numerous customers, achieving high-quality growth.

Advancing the “End-to-End Digitalization of the Industrial Supply Chain” to Strengthen Industrial Supply Chain Capabilities

Taking into account the complexity and diversity of industrial products, we enhance efficiency through “Digitalization” (digitalization technologies) and ensure delivery through “Products” (product and fulfillment networks). By integrating “Digitalization” and “Products”, we facilitate coordinated operations and orderly connections across all links of the industrial supply chain. In 2025, we renewed our efforts to deliver tangible value to our customers in areas such as supply chain reliability, cost reduction, efficiency improvement, and compliance.

In terms of product digitalization, we strengthened the infrastructure of the Mercator product library, significantly enhanced the efficiency of product management. In 2025, the volume of standardized product data we processed using LLM exceeded the cumulative total of the previous five years, systematically enhancing efficiency on both the supply and demand sides. Regarding fulfillment digitalization, we further optimized warehousing, order management capabilities, and dispatching systems. By implementing centralized operations, we reduced overall fulfillment costs and provided real-time visibility into fulfillment timeliness. As a result, overall inventory turnover efficiency continued to lead the industry. Moreover, we continued the digitalization of procurement and operations by building a full-suite digital procurement system that assists customers in efficiently managing complex procurement requirements. Leveraging data analytics and AI technologies, we gained deep insights into the differentiated needs of key accounts and small and medium-sized enterprises (SME) customers, delivering more transparent, efficient, and cost-effective one-stop procurement services.

CEO Statement (Continued)

Building A New Supply Chain Model “Spanning Across Industry Verticals, Product Categories, Scenarios, and Geographies”

Leveraging our end-to-end digitalization infrastructure, we continue to facilitate efficient connections between supply and demand, strengthen product supply chain and service capabilities, and expand our business model across multiple dimensions, laying a solid foundation for the long-term, high-quality development of industrial supply chains.

In terms of deepening industry penetration, we stay on course integrating our supply chain capabilities into key industrial chains and core sectors. In September 2025, JD Industrials, joined by its partners, launched the initiative “Empowering Thousands of Industries, Driving Trillion-Yuan Cost Reduction (智賦千行·萬億降本).” The initiative aims to empower China’s industrial sector to achieve supply chain cost reduction, accelerating the shift toward new industrialization. As of December 31, 2025, the initiative has been joined by over 5,000 industry leading enterprises.

In terms of product categories and scenario expansion, focusing on core product categories and key scenarios of industrial procurement, we have achieved comprehensive coverage of general-purpose MRO⁽¹⁾, professional MRO, and bill of materials (BOM) products. Through offering scenario-based solutions, we have assisted customers in clarifying and advancing the implementation pathways of their supply chain transformations.

In terms of cross-geographical expansion, alongside China’s industrial upgrading and the global expansion of its manufacturing sector, we leverage our mature and replicable digital supply chain system to provide Chinese manufacturing enterprises with “customer-accompanying global expansion” services. Moving forward, we will steadily enhance our global supply chain service capabilities by following the pathway of “customer-accompanying global expansion — localized development — global integration.”

Pioneering the Launch of a Supply Chain-Centric Industrial Large Model to Drive Industry Intelligent Transformation

We remain convinced that the true value of technological innovation stems from its scaled application across industries. The industrial sector, characterized by complex processes, diverse data structures, and rich application scenarios, offers vast potential for the implementation of industry-grade intelligence. Underpinned by our long-accumulated industry expertise and data assets, JD Industrials is actively positioning itself for the next phase of structural growth.

In 2025, we launched *JoyIndustrial*, the first large model specifically designed for industrial supply chain in China. Designed with a multi-agent collaboration mechanism, the model established a “thinking” supply chain expert system, propelling industrial supply chains toward a higher level of digital transformation. Centered on *JoyIndustrial*, we continued to drive deep integration of intelligent capabilities with business scenarios, establishing a practical “LLM + Scenario” application system in key areas such as product management, supply-demand matching, and global expansion. This system is progressively extending to transaction, fulfillment, and operational processes, helping more industrial partners achieve efficiency gains and sustainable development.

(1) “MRO” refers to maintenance, repair, and operations.

Looking ahead to 2026, the trend toward industrial digital transformation will remain clear and certain. We will continue to leverage our core strengths in digital supply chains, focusing on the three critical dimensions of “experience, cost, and efficiency” to steadily enhance the technical capabilities, and service and solution capabilities of industrial digital supply chains. By deepening collaborative partnerships across the industrial chain, we will sustain our momentum to create more certain and tangible value for our customers, supporting the real economy in improving operational efficiency and overall competitiveness, and driving the industry toward high-quality, sustainable development.

Thank you,

Chunzheng Song

Executive Director and Chief Executive Officer

March 5, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

As 2025 marked the concluding year of the “14th Five-Year Plan”, China’s economy maintained an overall steady and progressive trajectory with high-quality development. Amid a new phase of industrial upgrading, macroeconomic policies placed greater emphasis on “AI+”, accelerating the evolution of industrial and supply chains toward digitalization and intelligence. During the year, the State Council issued the Guidelines on Deepening the “AI+” Initiative (《關於深入實施「人工智能+」行動的意見》), and eight authorities including the Ministry of Commerce jointly released the Special Action Plan for Accelerating the Development of Digital Supply Chains (《加快數智供應鏈發展專項行動計劃》), explicitly highlighting the importance of enhancing the collaborative efficiency of all industrial factors through intelligent means from a policy perspective.

Driven by these policy directives and prevailing industrial trends, integrated supply chain and digital capabilities are emerging as a critical foundation for improving industrial operational efficiency and enterprise core competitiveness. JD Industrials has actively responded to the national initiatives by continuously advancing the development of end-to-end digital supply chain solutions around key industrial supply chain links, promoting more efficient collaboration and connectivity across the industrial chain. While enabling downstream customers to reduce costs and improve efficiency, we empowered upstream suppliers through data and technological capabilities, supporting them in enhancing production organization efficiency and R&D capabilities to foster more resilient industrial partnerships.

Centered on the core value proposition of “increasing supply chain reliability, reducing costs, enhancing efficiency, and ensuring compliance”, we have continued to deepen the Taipu Digital Industrial Supply Chain Total Solution Integrating Digitalization and Products, systematically integrating digital and intelligent capabilities across core areas such as products, procurement, fulfillment, and operations, while continuously expanding the solution’s applicability. In 2025, our revenue reached approximately RMB24.0 billion, representing a year-over-year increase of 17.4%, showing steady growth in business scale.

Key Accounts

Key accounts serve as lighthouse benchmarks within their respective industries, and are key drivers of the penetration of digital supply chains across sectors and enhancing overall operational efficiency. Leveraging years of industry service experience and continuously improving procurement systems and algorithmic capabilities, we have deepened our understanding of industrial requirements and customer scenarios. We have made consistent progress in deepening service engagement with key accounts and enhancing solution delivery capabilities. In 2025, the key accounts business maintained strong growth momentum, with gross merchandise value (GMV) increasing by 26.5% year-over-year. In 2025, we served approximately 13,300 key accounts, a year-over-year increase of 26.0%, further expanding our customer base.

In terms of industry coverage, we focused on four major sectors of manufacturing, transportation, energy, and other general industries, continued efforts to develop use-case-based solutions, leveraging our strengths in supply chain infrastructure and digital technologies. In 2025, we further rolled out a series of industry-specific supply chain solutions. These solutions assisted customers in optimizing efficiency and reducing costs across key processes such as procurement and fulfillment. In parallel, we continued to expand into industries related to new quality productive forces, to facilitate the efficient resource flow across the upstream and downstream segments. For example,

Management Discussion and Analysis (Continued)

we have established collaborations with several robotics original equipment manufacturers and core component manufacturers. Centered on critical phases such as R&D and mass production, we provide digitalized supply chain support spanning both BOM and MRO products, enhancing the supply efficiency of core components and strengthening industrial collaboration.

In terms of customer collaboration and service deepening, we kept extending end-to-end digital infrastructure into customers' internal operations, working with them on top-level procurement strategy planning and end-to-end supply chain system development to enable the deployment of digital capabilities across diverse business scenarios. By deeply integrating systems, data, and processes, we continued to enhance the customer service experience and strengthen partnership stickiness. In 2025, the dollar retention rate of key accounts stood at 116.6%, showing significant year-over-year improvement and further expanding our share of wallet within customer spending.

In terms of service models, we adhered to our "customer-first" approach and continued to build an end-to-end industrial supply chain service system. Driven by the digital capabilities, we provided end-to-end delivery from top-level procurement system design to the operational execution of industrial product procurement, building a super product supply chain that spans multiple product offerings. We offered diversified service models, including products, technology, consulting, and operations, to cater to customers' differentiated needs across various development stages and business scenarios. Thanks to the continuous investment and optimization in key areas such as product governance, procurement cost reduction, fulfillment enhancement, and operational efficiency improvement, JD Industrials is steadily evolving into a co-builder of our partners' digital transformation and an enabler of their supply chain capabilities.

Micro, Small and Medium (MSM) Customers⁽¹⁾

Figuring prominently in the real economy, MSM customers also serve as a key driver for new industrialization. Addressing persistent challenges in procurement such as low efficiency, lack of transparency, and cost pressures, we leverage our self-operated supply chain strengths and digital capabilities to continuously advance the comprehensive upgrade of products, customers, product portfolios, and services. By expanding our product offerings and merchant resources, we enable a growing number of MSM customers to access more efficient, transparent, and cost-effective supply chain management experiences.

On top of that, we have established a multi-layered service system tailored to the needs of customer groups of different scales and types. We offer online price comparison and procurement services for SMEs through the standardized platform "vipmro.com (京東工品匯)"; meanwhile, via the "mro.jd.com (京東五金城)" channel within the JD.com platform, we offer convenient one-stop procurement experiences for small and micro businesses and other customers. To further align with real procurement scenarios and enhance service response efficiency, in 2025, we innovatively launched an integrated online-offline service model, establishing the first national campus outlet of mro.jd.com in Kunshan Industrial Zone, Jiangsu Province. Benefiting from a digitally enabled "front-outlet, back-warehouse (前店後倉)" layout, this model effectively combines the efficiency and convenience of the online platform with the in-person experience and immediate support of physical offline stores. It primarily serves industrial park-based and

(1) "MSM Customer" include Small and Medium-Sized Enterprises (SME) as defined in the Prospectus, as well as demand-end participants other than key accounts and SMEs, such as sole proprietors and contractors.

Management Discussion and Analysis (Continued)

surrounding MSM customers, delivering end-to-end one-stop services covering product selection, procurement, delivery, and after-sale services. This approach has further taken JD Industrials' integrated digital-product supply chain capabilities and market reach.

Industrial Product Supply Chain Upgrade

In supplier management, we continue to deepen strategic collaborations with industry-leading suppliers, including both domestic and international renowned brands. In 2025, we engaged with approximately 205,000 manufacturers, distributors, and resellers, and the number of stock-keeping units (SKUs) that we offer reached about 97.7 million as of December 31, 2025. Under the "One Product Connects Four Channels (一品通四端)" strategy, our services covered large enterprises, small and medium-sized enterprises, small and micro businesses and sole proprietors, as well as overseas markets. We have not only enriched customers' choices, but also created broader growth opportunities for suppliers.


In quality and price management, we strictly followed supplier-access standards, established a comprehensive end-to-end quality control system, and involved professional engineers in product identification and recommendation. Based on the Mercator standard product library, we created unified "Digital IDs (數字身份證)" for key products, enabling full-process information traceability from manufacturing plants to end customers. Beyond that, we launched the "China Industrial Products — No Inflated Specs Action (中國工業品不虛標行動)" to promote the sound and sustainable development of the industrial products sector. Additionally, we utilized AI algorithms to automatically flag products with abnormal pricing or high complaint concentration, effectively improving the efficiency of quality-risk screening.

In service and fulfillment, we continued to enhance the stability and responsiveness of key product supply chains. By leveraging big data and AI technologies, we dynamically sensed procurement demand and provided replenishment alerts. Combined with an efficient warehousing and logistics system, we have strengthened our multi-tier fulfillment capability covering 48-hour, 72-hour, 1-hour, and on-demand delivery, ensuring products reach customers efficiently and accurately.

"Taipu" Digital Industrial Supply Chain Total Solution

Focusing on the core segments of the industrial supply chain, we have built an end-to-end digital infrastructure. We have systematically addressed common industry pain points, supported by extensive product offerings, stable service capabilities, and efficient operational systems. Building on this, Taipu integrates "Digitalization" (digitalization technologies) and "Products" (products and fulfillment networks), forming an end-to-end industrial supply chain solution that provides integrated industrial product supply and technical services across scenarios and categories for customers in a wide range of industries.

In 2025, we officially launched *JoyIndustrial*, China's first-ever vertical large model for industrial supply chains, driving a new wave of intelligent upgrades to the Taipu supply chain system and enabling deep integration of massive vertical data with segmented industrial scenarios. *JoyIndustrial* empowers key processes such as product, transaction, and fulfillment, establishing end-to-end intelligent service capabilities. During 2025, our jointly incubated "AR+AI Remote Quality Inspection" project with key accounts, enabling remote sampling inspections and significantly enhancing procurement efficiency and quality inspection accuracy.



Management Discussion and Analysis (Continued)

Furthermore, focusing on core supply chain business processes, we introduced multiple application agents, creating an innovative service system of “LLM + Scenario”. Taking product governance for example, the “IndLens (工品查)” agent, the industry’s first AI governance system built on a massive product knowledge base, covers over 40 key application scenarios, including material standardization and identical product identification, markedly improving material governance efficiency and accuracy. Moreover, these application agents are already delivering new and highly efficient experiences for customers across various scenarios such as procurement assistance, operation and maintenance, and product sourcing.

Overseas Expansion

With the development of China’s industrial sector, an increasing number of industrial manufacturing enterprises are accelerating their global footprint. Leveraging our long-accumulated, deep experience in digital supply chain collaboration, we actively push forward with “customer-accompanying global expansion” supply chain services, establishing a reliable global service system covering full-cycle, multi-scenario support for industrial enterprises expanding globally, empowering them to achieve steady and sustainable development. Currently, we have established operations in multiple key markets worldwide, covering core capabilities including MRO category operations, product governance, and supply chain system management. As the first full operating year of our international business, 2025 saw our services extend across key sectors including automotive manufacturing, electronics and electrical, metallurgy and chemicals, and automotive parts. We have delivered “customer-accompanying global expansion” services to approximately 100 enterprises, with revenue from overseas business gaining momentum. Moving forward, we will leverage our mature and replicable digital supply chain system to empower more international enterprise customers, helping them reduce costs, improve efficiency, and enhance operational performance and thereby contribute to the development of an integrated global industrial supply chain.

Prospects

Looking forward, as a leading industrial supply chain technology and services enterprise, JD Industrials will hold fast to its “customer-first” approach. To that end, we will continue to enhance our end-to-end supply chain service system and commit to creating sustainable and tangible business value for our customers. We will leverage the strengths of our digital capabilities to deeply explore existing customer demands, branch out into more production scenarios and product categories, and deepen collaboration with customers. Besides, relying on our profound insights into various verticals, we will proactively expand into emerging sectors and customer base.

Strategically, we will continue to deepen integration of technological innovation and industrial innovation, strengthen digital capabilities, build more efficient supply-demand connection mechanisms, and achieve precise matching and high-efficiency coordination to reduce social costs and enhance productivity from all aspects. Standing at the starting point of the “15th Five-Year Plan,” we will steadfastly pursue our mission of “committing to the highest level of operational efficiency in the industrial world through technology.” Powered by our end-to-end digital capabilities, we will promote interconnectivity and efficient collaboration across all links of the industrial chain, working together with our partners to propel China’s industrial and manufacturing sectors toward a new stage marked by high-quality and sustainable development.

Management Discussion and Analysis (Continued)

Financial Review

Revenue

During the Reporting Period, we derived our revenue from (i) sales of products, and (ii) provision of services. Product revenue accounted for a substantial majority of our total revenue.

Our revenue increased by 17.4% from RMB20.4 billion in 2024 to RMB24.0 billion in 2025, primarily driven by the continual growth of our GMV. Specifically, our GMV increased by 16.5% from approximately RMB28.8 billion in 2024 to RMB33.5 billion in 2025, which was primarily attributable to our success in attracting new customers and driving additional spending from existing customers. Our GMV attributable to key accounts increased by 26.5% from RMB13.1 billion in 2024 to RMB16.5 billion in 2025. The increase primarily due to the key accounts we served grew from approximately 10,600 in 2024 to approximately 13,300 in 2025. Our GMV attributable to MSM customers increased by 8.3% from RMB15.7 billion in 2024 to RMB17.0 billion in 2025.

Our revenue from sales of products, primarily consisting of MRO products and BOM products, increased by 17.3% from RMB19.2 billion in 2024 to RMB22.5 billion in 2025, primarily driven by the increase of 18.8% in product GMV from approximately RMB21.8 billion in 2024 to approximately RMB25.9 billion in 2025.

Our revenue from provision of services, primarily consisting marketplace, advertising and other services, increased from RMB1.2 billion in 2024 to RMB1.5 billion in 2025. Our advertising and other services revenue increased primarily attributable to the continued expansion of our services and user reach. Our marketplace revenue increased primarily because of the increase in GMV attributable to MSM customers, who increasingly opted to purchase from our marketplace.

Cost of revenue

Our cost of revenue increased by 15.8% from RMB17.1 billion in 2024 to RMB19.8 billion in 2025, which was lower than the increase of revenue.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased from RMB3.3 billion in 2024 to RMB4.2 billion in 2025, and our gross profit margin increased from 16.2% in 2024 to 17.4% in 2025. The increase in the gross profit margin was primarily due to the increase in gross profit margin of our product revenue benefiting from enhancement of our procurement efficiency and optimization of our supplier network.

Fulfillment expenses

Our fulfillment expenses increased by 56.7% from RMB1,126.7 million in 2024 to RMB1,765.6 million in 2025, primarily attributable to the increase in expenses of logistics and warehousing services. This increase was primarily due to our investment to enhance fulfillment experience for certain customers and to establish a more robust fulfillment infrastructure to support our new initiatives including overseas and product expansion. Fulfillment expenses as a percentage of revenue increased from 5.5% in 2024 to 7.4% in 2025.

Selling and marketing expenses

Our selling and marketing expenses increased by 20.0% from RMB844.5 million in 2024 to RMB1,013.8 million in 2025, primarily attributable to the increases in (i) employee benefit expenses, primarily due to the increase in selling

Management Discussion and Analysis (Continued)

and marketing personnel to enhance customer experience and support our new initiatives, and (ii) expenses of technology and traffic support services allocated or provided by JD Group, in line with the growth of our GMV. Selling and marketing expenses as a percentage of revenue increased from 4.1% in 2024 to 4.2% in 2025.

Research and development expenses

Our research and development expenses remained relatively stable at RMB289.3 million in 2024 and RMB307.0 million in 2025. Research and development expenses as a percentage of revenue decreased from 1.4% in 2024 to 1.3% in 2025.

General and administrative expenses

Our general and administrative expenses increased by 38.7% from RMB193.7 million in 2024 to RMB268.7 million in 2025, primarily attributable to an increase of listing expenses. General and administrative expenses as a percentage of revenue increased from 0.9% in 2024 to 1.1% in 2025.

Finance income

Our finance income decreased by 9.5% from RMB293.3 million in 2024 to RMB265.4 million in 2025, primarily due to a decrease of interest earnings from bank balances and term deposits.

Convertible preferred shares

We recorded a gain on fair value changes of convertible preferred shares of RMB1,400.0 million in 2025 and a loss of RMB47.6 million in 2024, respectively, primarily due to changes in the fair value of our Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares issued by the Company, as a result of changes in our Company's equity value. The Company was successfully listed on the Hong Kong Stock Exchange and completed the Global Offering on December 11, 2025. Upon the completion of the Listing, all convertible preferred shares of the Company have been converted into ordinary shares of the Company.

Income tax expense

Our income tax expense increased by 25.3% from RMB121.0 million in 2024 to RMB151.6 million in 2025, mainly due to the increase of taxable income and the impacts of deferred income tax.

Profit for the year

As a result of the foregoing, we recorded a profit of RMB761.6 million in 2024 and RMB2,313.7 million in 2025.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted operating income (non-IFRS measure), adjusted profit (non-IFRS measure) and adjusted net margin (non-IFRS measure) (collectively the **"Non-IFRS Measures"**) as an additional financial measure, which is not required by, or presented in accordance with IFRSs. We believe the Non-IFRS Measures facilitate comparisons of operating performance from period to period and from company to company by eliminating potential impacts of items which our management considers not indicative of our core operating performance such as non-cash or nonrecurring items, and certain impact of investment transactions when applicable.

Management Discussion and Analysis (Continued)

We believe Non-IFRS Measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of Non-IFRS Measures may not be comparable to similarly titled measures presented by other companies. The use of Non-IFRS Measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of our results of operations or financial condition as reported under IFRSs.

We define “non-IFRS operating income” as operating income for the year, excluding share-based payment expenses, listing expenses, and amortization of intangible assets resulting from acquisitions for the year. We define “non-IFRS profit” as profit for the year, excluding certain items as below. We exclude those items because they are either non-operating in nature or they are not indicative of our core operating results and business outlook, or do not generate any cash outflows.

The following table reconciles the most directly comparable financial measure, which is profit for the year, calculated and presented in accordance with IFRSs, to the non-IFRS profit for 2025 and 2024, with the prior period retrospectively recast to conform to the current period presentation:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Reconciliation of profit to Non-IFRS profit:		
Profit for the year	2,313,723	761,608
Adjusted for:		
Share-based payment expenses	146,063	125,241
Fair value changes of convertible preferred shares ⁽¹⁾	(1,399,996)	47,607
Listing expenses	48,414	7,167
Amortization of intangible assets resulting from acquisitions ⁽²⁾	6,676	6,676
Fair value changes of equity investments in unlisted entities measured as financial assets at fair value through profit or loss ⁽³⁾	27,751	159,300
Income tax effects of non-IFRS adjustments	(11,889)	(34,158)
Non-IFRS profit for the year	1,130,742	1,073,441

(1) Represents the fair value changes of convertible preferred shares as a result of changes in our Company’s equity value. Upon the completion of the Listing, all convertible preferred shares of the Company have been converted into ordinary shares of the Company.

(2) Represents the amortization expenses of other intangible assets acquired in business combinations with finite useful lives, which is recognized on a straight-line basis over the estimated useful lives.

(3) Represents gains or losses from fair value changes on equity investments in unlisted entities measured at fair value. Multiple valuation techniques and key inputs are used to determine the fair values of these investments.

Management Discussion and Analysis (Continued)

Liquidity and capital resources

For the year ended December 31, 2025, we funded our cash requirements primarily from cash generated from operating activities and financing activities that are mainly from the Global Offering. Our cash resources include cash and cash equivalents, restricted cash, term deposits, wealth management products classified as financial assets at fair value through profit or loss. As of December 31, 2025, the aggregate amount of cash resources of the Group was RMB14.5 billion.

The following table sets forth our cash flows for the years indicated:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Net cash generated from operating activities	2,089,421	1,296,404
Net cash (used in)/generated from investing activities	(6,330,587)	1,561,151
Net cash generated from/(used in) financing activities	2,132,316	(16,105)
Net (decrease)/increase in cash and cash equivalents	(2,108,850)	2,841,450
Cash and cash equivalents at the beginning of the year	8,372,098	5,488,742
Effects of foreign exchange rate changes on cash and cash equivalents	(46,339)	41,906
Cash and cash equivalents at the end of the year	6,216,909	8,372,098

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, funds raised from the capital markets from time to time and the net proceeds received from the Global Offering (following partial exercise of the Over-allotment Option as defined in the Prospectus). We currently do not have any other plans for material additional external financing.

Net cash generated from operating activities

In 2025, net cash generated from operating activities was RMB2,089.4 million, which was primarily attributable to the profit for the year of RMB2,313.7 million, as adjusted by (i) net decrease adjustments by non-cash and non-operating items of RMB1,124.0 million, which primarily consisted of fair value changes of convertible preferred shares and share-based payment expenses, and (ii) net increase adjustments by working capital of RMB1,016.4 million, which primarily resulted from changes in trade payables, inventories, and prepayments, other receivables and other assets. In addition, interest received was RMB234.9 million, partially offset by interest paid of RMB187.7 million.

Management Discussion and Analysis (Continued)

In 2024, net cash generated from operating activities was RMB1,296.4 million, which was primarily attributable to the profit for the year of RMB761.6 million, as adjusted by (i) net increase adjustments by non-cash and non-operating items of RMB377.2 million, which primarily consisted of fair value changes of equity investments in unlisted entities measured as financial assets at fair value through profit or loss (“**FVTPL**”) and share-based payment expenses, and (ii) net increase adjustments by working capital of RMB213.5 million, which primarily resulted from changes in trade payables, inventories, and prepayments, other receivables and other assets. In addition, interest received was RMB303.7 million, partially offset by interest paid of RMB242.8 million.

Net cash (used in)/generate from investing activities

In 2025, net cash used in investing activities was RMB6,330.6 million, which was primarily attributable to purchases of term deposits of RMB16,156.2 million, partially offset by maturity of term deposits of RMB9,941.8 million.

In 2024, net cash generated from investing activities was RMB1,561.2 million, which was primarily attributable to maturity of term deposits of RMB5,562.2 million, partially offset by purchase of term deposits of RMB4,000.0 million.

Net cash generate from/(used in) financing activities

In 2025, net cash generated from financing activities was RMB2,132.3 million, which was primarily attributable to net proceeds received from the Global Offering of RMB2,652.2 million.

In 2024, net cash used in financing activities was RMB16.1 million, which was primarily attributable to principal portion of lease payments of RMB8.1 million and payments for repurchase of exercisable share options of RMB6.6 million.

Gearing ratio

As of December 31, 2025, we had no outstanding borrowings. Therefore, the gearing ratio is not presented herein.

Significant investments held

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group’s total assets as at December 31, 2025) during the year ended December 31, 2025.

Material acquisitions and/or disposals of subsidiaries and affiliated companies

The Group did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the year ended December 31, 2025.

Future plans for material investments and capital assets

As of December 31, 2025, the Group did not have other plans for material investments and capital assets.

Employee and remuneration policy

The number of employees (excluding part-time staff and interns) dedicated to our business and operations as of December 31, 2025 was 2,419 (December 31, 2024: 1,931).

As required by laws and regulations in the PRC, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans through a PRC government-mandated benefit contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time.

The Company also has a pre-IPO employee share incentive plan, and two post-IPO share incentive plans.

The total employee benefit expenses, including share-based payment expenses were RMB1,378.2 million for the year ended December 31, 2025, as compared to RMB1,010.1 million for the year ended December 31, 2024, representing a year-over-year increase of 36.4%.

Foreign exchange risk

The functional currency of our entities incorporated in the Cayman Islands, BVI and Hong Kong is the USD. Our PRC subsidiaries and Consolidated Affiliated Entities determined their functional currency to be RMB. Foreign exchange risk arises when future commercial transactions or recognized financial assets and liabilities are denominated in a currency that is not the respective functional currency of our entities. In addition, we have intra-group balances with several subsidiaries denominated in foreign currency which also expose us to foreign currency risk. During the year ended December 31, 2025, exchange gains and losses from those foreign currency transactions denominated in a currency other than the functional currency were insignificant.

Contingent liabilities


As of December 31, 2025, we did not have any material contingent liabilities or guarantees.

Borrowings

As of December 31, 2025, we had no outstanding borrowings.

Significant events after December 31, 2025

On January 7, 2026, the overall coordinators, on behalf of the international underwriters have partially exercised the over-allotment option in respect of an aggregate of 3,957,400 Shares. Pursuant to the stock borrowing agreement entered into between Merrill Lynch International and JD Industrial Technology Limited, Merrill Lynch International had borrowed 31,681,200 Shares from JD Industrial Technology Limited to cover over-allocations in the International Offering. The over-allotment Shares were used to facilitate the return to JD Industrial Technology Limited of part of the borrowed Shares.



Management Discussion and Analysis (Continued)

The over-allotment Shares were issued and allotted by the Company pursuant to the partial exercise of the over-allotment option at HK\$14.10 per Share. The Company received additional net proceeds of approximately HK\$54.7 million (equivalent to approximately RMB49.2 million) for the 3,957,400 over-allotment Shares to be issued and allotted pursuant to the partial exercise of the over-allotment option. For details, please refer to the announcement of the Company dated January 7, 2026.

Save as disclosed in this annual report and as at the date of this annual report, there were no other significant events that might affect the Group since December 31, 2025.

DIRECTORS AND SENIOR MANAGEMENT

Our Directors

The composition of the Board during the Reporting Period and up to the date of this report are as follows:

Name	Age	Position(s)	Date of appointment as Director
Directors			
Chunzheng Song (宋春正)	49	Executive Director and Chief Executive Officer	June 10, 2020
Richard Qiangdong Liu (劉強東)	53	Chairman and non-executive Director	October 13, 2021
Bingdong Xu (徐炳東)	47	Non-executive Director	June 10, 2020
Po Fong Nancy Ku (顧寶芳)	69	Independent non-executive Director	December 11, 2025
Hanhui Sam Sun (孫含暉)	53	Independent non-executive Director	December 11, 2025
Xin Tang (湯欣)	54	Independent non-executive Director	December 11, 2025

Executive Director

Chunzheng Song (宋春正), aged 49, is an executive Director, the chief executive officer (“**CEO**” or “**Chief Executive Officer**”) of the Company and a member of Remuneration Committee. Mr. Song is responsible for the Company’s overall strategic planning and business direction.

Mr. Song joined JD Group in May 2013 and has been a serial entrepreneur within JD Group with a proven track record of success. Before assuming leadership in our Company, Mr. Song spearheaded JD Group’s enterprise business, which became the benchmark for the industry. Mr. Song started leading the internal incubation and innovation of our business in July 2017 and has since been driving the end-to-end digitalization of the industrial supply chain, resulting in significant cost reduction and efficiency enhancement for the industry. Prior to joining JD Group, Mr. Song worked at Eternal Asia Supply Chain Management Ltd. in the information technology supply chain department from September 2007 to August 2009 and at Founder Technology Group Co., Ltd. (“**Founder**”) (and at Acer Computers (Shanghai) Co., Ltd. from 2010 to 2011 during which it acquired the PC business of Founder) from September 2009 to May 2013.

Mr. Song received a master’s degree in business administration from Nankai University (南開大學) in December 2013, and an EMBA degree from China Europe International Business School (中歐國際工商學院) in November 2022.

Directors and Senior Management (Continued)

Non-executive Directors

Richard Qiangdong Liu (劉強東), aged 53, is a non-executive Director, chairman of the Board and the chairperson of the Nomination Committee. Mr. Liu has been the chairman of JD.com since inception and served as chief executive officer of JD.com until April 2022. He founded JD.com in 2004 and has guided its development and growth since then. Mr. Liu received the prestigious award “Person of the Year of Chinese Economy 2011” from CCTV, China’s national television network. He was among “World’s 50 Greatest Leaders” named by Fortune Magazine in 2015. Mr. Liu currently serves as chairman of the board and non-executive director of JD Logistics (HKEX: 2618) and JD Health (HKEX: 6618), respectively. He also serves as chairman of the board and director of JD Technology. Mr. Liu received his bachelor’s degree in sociology from Renmin University of China (中國人民大學) in 1996 and an EMBA from China Europe International Business School (中歐國際工商學院) in 2011.

Bingdong Xu (徐炳東), aged 47, is a non-executive Director. Mr. Xu has served as the managing partner of Jiyuan Capital (formerly GGV Capital) since January 2017, focusing on enterprise tech, consumer & internet services. Prior to joining Jiyuan Capital (formerly GGV Capital), he was the managing director of SIG Investment Asia, where he led investment in a wide range of companies including XimalayaFM, Kanghui (formerly NYSE: KH), Fanli (SSE: 600228), Babytree (HKEX: 1761), 51 Credit Card (HKEX: 2051), and TouchPal (a.k.a CooTek). Prior to joining SIG Investment Asia, he held a number of key investment positions at CITIC Capital, a global alternative investment management company, and TDF Capital, a Shanghai-based venture capital firm (merged with KPCB China in 2007), from 2005 to 2007.

Mr. Xu received a bachelor’s degree in business administration from Shanghai University of Finance and Economics in 2001 and a master’s degree in finance from University of Manchester in 2002.

Independent Non-executive Directors

Po Fong Nancy Ku (顧寶芳), aged 69, is an independent non-executive Director, the chairperson of the Remuneration Committee, a member of Audit Committee and a member of the Nomination Committee. Ms. Ku served as the head of Asia Pacific, Private Equities department of Abu Dhabi Investment Authority (“**ADIA**”) from 2017 to 2022. In this role, she was responsible for building the business and recruited team members including heads of regions within Asia Pacific. Prior to joining ADIA, she was employed with General Electric International, Inc. for over 18 years since 1998, having served in leadership roles in equity and corporate finance in Asia as President and CEO, GE Corporate Financial Services Asia, before finally appointed in 2007 as the President and CEO of GE Capital, China, prior to her departure in 2017. In this role, she was responsible for the results of GE Capital’s overall business in China. Prior to joining GE Capital, she held a number of key positions at HSBC Private Equity Management Limited, Canadian Imperial Bank of Commerce, Citibank and IBM. She has over 30 years of CEO and business leadership experience in private equity and non-bank financial institutions with a global footprint. Ms. Ku has also served as a non-executive director of Asia Satellite Telecommunications Holdings Limited (formerly listed on HKEX:1135 prior to its privatization in 2019) from 2007 to 2015.

Ms. Ku received a bachelor of arts degree from the University of Waterloo in October 1978 and an MBA degree from the University of Toronto in June 1987.

Directors and Senior Management (Continued)

Hanhui Sam Sun (孫含暉), aged 53, is an independent non-executive Director, the chairperson of the Audit Committee and a member of Nomination Committee. Mr. Sun has been the Chairman of VSP Private Fund Management (Zhuhai) Co., Limited since 2021. From 2016 to 2020, Mr. Sun was a venture partner at Blue Lake Capital. From 2010 to 2015, Mr. Sun served various positions at Qunar Cayman Islands Limited, a former NASDAQ-listed company, including Qunar's president in 2015 and chief financial officer from 2010 to 2015. From 2007 to 2009, Mr. Sun was the chief financial officer of KongZhong Corporation, a former NASDAQ-listed company. Mr. Sun has served as an independent director of Antalpha Platform Holding Company (NASDAQ: ANTA) since May 2025, an independent non-executive director of YSB Inc. (HKEX: 9885) since June 2023, an independent director of iQIYI, Inc. (NASDAQ: IQ) since March 2018, and an independent director of Yiren Digital Ltd. (NYSE: YRD) since December 2015. Mr. Sun served as an independent director of Zhihu Inc. (NYSE: ZH; HKEX: 2390) from March 2021 (and he has been re-designated as an independent non-executive director since April 2022) to May 2025. Mr. Sun served as an independent director of CAR Inc. (formerly listed on HKEX: 699) from August 2014 to July 2021, when CAR Inc. was privatized.

Mr. Sun received a bachelor's degree in business administration from Beijing Institute of Technology in July 1993. He is a Certified Public Accountant in China.

Xin Tang (湯欣), aged 54, is an independent non-executive Director, a member of the Audit Committee and a member of Remuneration Committee. Professor Tang conducted post-doctoral research in law major at Peking University Law School from July 1998 to June 2000 and has been teaching in Tsinghua University School of Law since 2000. He was promoted as Associate Professor of Tsinghua University School of Law in February 2001 and Professor of Tsinghua University School of Law in January 2015 and served as the director of the Research Center of Commercial Law of Tsinghua University since January 2021. Professor Tang served as a member of the third session of the listing committee of the Shanghai Stock Exchange from August 2012, and subsequently served as a member of the fourth and fifth sessions of the listing committee of the Shanghai Stock Exchange. He also served as the head of the first and second sessions of the committee of independent directors of the China Association for Public Companies (中國上市公司協會). Professor Tang currently serves as a member of the Legal and Discipline Affairs Committee of Asset Management Association of China (中國證券投資基金業協會法制與自律工作專業委員會). He has also served as a member of the Legal Professional Advisory Committee of the Shenzhen Stock Exchange (深交所法律專業諮詢委員會) since December 2020, and an independent non-executive director of Bank of Guizhou Co., Ltd. (HKEX: 6199) since August 2018. Professor Tang served as an independent director of Wanda Film Holding Co., Ltd. (萬達電影股份有限公司) (SZSE: 002739) from June 2023 to December 2024, an independent non-executive director of China Life Insurance Company Limited (SSE: 601628; HKEX: 2628) from March 2016 to July 2022 and an independent non-executive director of GF Securities Co., Ltd. (HKEX: 1776) from May 2014 to June 2020.

Professor Tang graduated and obtained his bachelor's, master's and doctor's degree in economic law, civil law and civil law from Renmin University of China in June 1992, July 1995 and June 1998, respectively.

Directors and Senior Management (Continued)

Senior management

The senior management (other than our executive Director) of the Group comprises the following:

Name	Age	Position(s)	Date of appointment as senior management
Xuedong Wang (王雪東)	47	Chief financial officer	March 20, 2024

Xuedong Wang (王雪東), aged 47, is our chief financial officer. He joined our Company since March 2024 and has been primarily responsible for finance and capital market related matters. Before joining our Company, Mr. Wang acted as the chief financial officer of JD Technology from March 2021 to March 2024. Prior to his appointment as the chief financial officer of JD Technology, he was in charge of financial planning and analysis function, asset and liability management function and financial reporting function of JD Technology from December 2018 to March 2021. Mr. Wang served as the vice president and chief financial officer of Beijing Wanda Media Co., Ltd. from February 2014 to December 2018. Prior to that, Mr. Wang held numerous positions at Beijing office and London office of PricewaterhouseCoopers from August 2002 to February 2014, including as a senior manager focusing on TMT industry.

Mr. Wang was a Certified Public Accountant in both China and the United States. Mr. Wang received a bachelor of arts degree from Tsinghua University in July 2002.

Company secretary

Ming King Chiu (趙明璟), our company secretary, is the Head of Company Secretarial Services (Client Portfolio Management), Greater China at Vistra Corporate Services (HK) Limited. He has over 10 years of experience in the company secretarial field. He is currently (1) the joint company secretary of CanSino Biologics Inc., a main board listed company in Hong Kong (HKEX: 6185); (2) the company secretary of Loco Hong Kong Holdings Limited, a GEM listed company in Hong Kong (GEM: 8162); (3) the company secretary of JD Health, a main board listed company in Hong Kong (HKEX: 6618 (HKD counter) and 86618 (RMB counter)); (4) the company secretary of JD Logistics, a main board listed company in Hong Kong (HKEX: 2618); (5) the joint company secretary of China Construction Bank Corporation, a main board listed company in Hong Kong (HKEX: 0939); and (6) the joint company secretary of ZTO Express (Cayman) Inc., a company listed on the New York Stock Exchange (NYSE: ZTO) and main board listed company in Hong Kong (HKEX: 2057).

Mr. Chiu was elected as an associate and a fellow of The Chartered Governance Institute in the United Kingdom in 2003 and 2015, respectively, and admitted as an associate and a fellow of The Hong Kong Chartered Governance Institute ("HKCGI") in October 2003 and September 2015, respectively. He is also a holder of the Practitioner's Endorsement Certificate issued by HKCGI. He is a chairman of the Professional Services Panel of HKCGI.

Mr. Chiu obtained a Bachelor of Arts degree from University of Toronto in Canada in June 1999 and received a Master of Arts degree in professional accounting and information systems from City University of Hong Kong in November 2003.



REPORT OF THE DIRECTORS

The Board is pleased to present this report of the Directors with the consolidated financial statements of the Group for the year ended December 31, 2025.

General information

The Company was incorporated in the Cayman Islands on November 5, 2019 as an exempted limited liability company under the Companies Act.

The Company's Shares were listed on the Main Board of the Stock Exchange on December 11, 2025.

Principal activities

The Company is an investment holding company, and together with its subsidiaries and Consolidated Affiliated Entities, are dedicated to operating an e-commerce platform for industrial products and providing digital procurement services. The Group's principal operations and geographic markets are in the PRC.

The Group has only one reportable segment as set out in Note 5 to the consolidated financial statements. The Group does not distinguish between markets or segments for the purpose of internal reports. No geographical information is presented.

Business review

The business review of the Group for the year ended December 31, 2025 is set out in the sections headed "CEO Statement" and "Management Discussion and Analysis" from pages 5 to 7 and pages 8 to 18 of this annual report. Description of principal risks and uncertainties that the Group may be facing can be found in the sections headed "Report of Directors — Principal risks and uncertainties" and "Report of Directors — Risks relating to the Contractual Arrangements" on page 25 and page 54 of this annual report. In addition, discussions on the key relationship with the stakeholders, compliance with the relevant laws and regulations, environmental policies and performance are set out in page 25 of this annual report and will also be set out in the "2025 Environmental, Social and Governance Report" to be published on the same day as this annual report.

Results

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on page 85 and page 86 of this annual report.

Financial summary

A summary of the condensed consolidated statements of profit or loss and statements of comprehensive income/(loss) and condensed consolidated statements of financial position of the Group is set out on page 4 of this annual report.

Share capital

Details of movements in the share capital of the Company for the year ended December 31, 2025 are set out in Note 26 to the consolidated financial statements.

Subsidiaries

Particulars of the Company's principal subsidiaries and Consolidated Affiliated Entities are set out in Note 36 to the consolidated financial statements.

Report of the Directors (Continued)

Major customers and suppliers

Customers

Our customers consist of various participants along the industrial supply chain. For product sales, our customers are mainly key accounts and MSM customers. For the services provided, our customers include third-party merchants that sell products on our marketplace, advertisers that use our digital marketing services, and customers, mainly key accounts, that use our technology and other services. Our customers mostly come from industries such as manufacturing, transportation, energy, and other general industries.

For the year ended December 31, 2025, the Group's five largest customers accounted for less than 30% of the Group's total revenue.

Suppliers

Our suppliers mainly include manufacturers, distributors, and resellers of industrial products. In 2025, we engaged with approximately 205,000 manufacturers, distributors, and resellers. We select our suppliers based on their qualification, brand names, experience in e-commerce businesses, reliability, volume, and price. We conduct background checks, examine business licenses and certificates, evaluate brand recognition, and conduct sampling on-site visits and verification. We have a dedicated team assigned to monitor and manage our suppliers and third-party merchants with respect to product quality and availability, logistics services, aftersales services, among others.

We adopt a cloud inventory approach that enables us to coordinate inventory management and share demand information with our suppliers, so that they can carry out productions or procurement based on received orders or forecasted demand. We provide significant values to our suppliers. Our suppliers are provided with improved demand planning through insights based on transaction activities and our deep industry know-how. This allows them to make informed decisions and maintain efficient production or procurement processes. Additionally, we introduce a large customer base to our suppliers, helping them grow their businesses and better understand customer needs. Our digital marketing services also enhance their brand recognition.

For the year ended December 31, 2025, the Group's five largest suppliers accounted for less than 30% of the Group's total purchases and purchases from our largest supplier, JD Group, accounted for less than 10.0% of our total purchases.

As of December 31, 2025, JD Group indirectly owned approximately 72.3% of our total issued share capital. To the best of our knowledge, except JD Group and its associate, all of the other three largest suppliers during the year ended December 31, 2025 were independent third parties. As of the December 31, 2025, (i) Mr. Richard Qiangdong Liu (劉強東), a non-executive Director and chairman of the Board, held approximately 72.9% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings; and (ii) all the other Directors in aggregate held less than 1% of the beneficial ownership in JD Group.

Except as disclosed above, none of our other Directors, their respective associates or any Shareholder who, to the knowledge of such Directors, owned more than 5% of our issued share capital, has any interest in any of our top five suppliers during the year ended December 31, 2025.

Key relationship with stakeholders

The Company is committed to maintaining a good relationship with stakeholders that have a significant impact on the Company and on which the Company's success depends. Further details will be set out in the "2025 Environmental, Social and Governance Report" published on the same day as this annual report.

Compliance with the relevant laws and regulations

To the best of the Directors' knowledge, information and belief, the Group has, in all material aspects, complied with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.

Environmental policies and performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Further details will be set out in the "2025 Environmental, Social and Governance Report" published on the same day as this annual report.

Principal risks and uncertainties

Our operations involve certain risks and uncertainties, which are set out in the section headed "Risk Factors" of the Prospectus. Some of the major risks we face relate to:

- our reliance on JD Group and its associates to a certain extent, as well as our potential different development prospects or conflicts of interest with JD Group;
- any negative development with respect to our relationship with JD Group or negative publicity concerning JD Group and us;
- uncertainties relating to the growth and profitability of the evolving and dynamic industrial supply chain technology and service market;
- our ability to attract and retain customers and maintain satisfactory customer experience;
- our expansion into new product categories and services;
- fluctuations and disruptions in the supply of, or demand for, industrial products, along with the conditions underlying such fluctuations and disruptions;
- our ability to manage and expand our relationship with suppliers and to procure products on favorable terms;
- risks relating to the fulfillment of products; and
- our ability to improve or enhance the functionality, performance, reliability, design, security and scalability of our business model.

Report of the Directors (Continued)

Use of net proceeds

With the Shares listed on the Hong Kong Stock Exchange on December 11, 2025, the net proceeds from the Global Offering were approximately RMB2,555 million after deducting underwriting fees and commissions and offering expenses paid and payable by us (the “**Net Proceeds**”).

As of the date of this report, there has been no change in the intended use of the net proceeds and the expected timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

The following table sets forth a summary of the status of the utilization of the Net Proceeds as of December 31, 2025:

Purpose	Net Proceeds (RMB million)	Amount utilized	Unutilized	Expected timeline of full utilization
		in the year ended December 31, 2025 (RMB million)	amount as at December 31, 2025 (RMB million)	
Further enhancing our industrial supply chain capabilities	894	—	894	48 to 60 months from the Listing Date
Business expansion across geographies	639	—	639	48 to 60 months from the Listing Date
Potential strategic investments or acquisitions	767	—	767	48 to 60 months from the Listing Date
General corporate purposes and working capital needs	255	49	206	48 to 60 months from the Listing Date
Total	2,555	49	2,506	

Note: The expected timeline of full utilization of the unutilized Net Proceeds above is based on the Group’s best estimation and is subject to change based on the future development of market conditions.

On January 7, 2026, the over-allotment option in respect of an aggregate of 3,957,400 Shares has been exercised, the net proceeds from the over-allotment option were approximately RMB49 million (after deducting the underwriting fees and commissions and estimated expenses payable by the Company in connection with the partial exercise of the over-allotment option and taking into account any additional discretionary incentive fee). The Company intends to utilize the additional net proceeds, on a pro rata basis, for the purposes as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. Together with the Net Proceeds from the Global Offering, the total net proceeds received by the Company were approximately RMB2,604 million.

Dividends

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025.

Reserves

As of December 31, 2025, the Company had distributable reserves of RMB10.1 billion.

Details of movements in the reserves of the Company during the year ended December 31, 2025 are set out in Note 40 of the consolidated financial statements.

Borrowings

The Group did not have any outstanding bank loans and other borrowings as of December 31, 2025.

Debenture issued

The Group has not issued any debentures during the year ended December 31, 2025.

Equity-linked agreements

Save as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed during the year ended December 31, 2025.

Directors

The Directors who held office during the year ended December 31, 2025 and up to the date of this report were:

Executive Director

Chunzheng Song (宋春正) (*Chief Executive Officer*)

Non-Executive Directors

Richard Qiangdong Liu (劉強東) (*Chairman*)

Bingdong Xu (徐炳東)

Independent Non-Executive Directors

Po Fong Nancy Ku (顧寶芳)

Hanhui Sam Sun (孫含暉)

Xin Tang (湯欣)

Pursuant to Article 16.19 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors. Pursuant to Article 16.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

Report of the Directors (Continued)

Details of the Directors standing for re-election at the forthcoming annual general meeting are set out in the circular to the Shareholders to be published on the websites of the Stock Exchange and the Company.

Board of Directors and senior management

Biographical details of the Directors and senior management of the Group are set out in the section headed “Directors and Senior Management” on pages 19 to 22 of this annual report.

Changes in information of Directors

There were no changes in information of Directors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Prospectus.

Permitted indemnity

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

Directors’ service contracts

The executive Director has entered into a service contract with the Company for an initial term of three years with effect from the Listing Date or until the third annual general meeting of the Company since the Listing Date, whichever is sooner and shall be automatically renewed for successive periods of three years (subject to retirement as and when required under the Articles of Association).

Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company for an initial period of three years from Listing Date or until the third annual general meeting of our Company since the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association).

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors’ interests in transactions, arrangements or contracts of significance

Save as disclosed in the section “Continuing Connected Transactions” below and in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries and the Consolidated Affiliated Entities was a party subsisting during or at the end of the year ended December 31, 2025.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended December 31, 2025.

Contracts and relationship with controlling shareholders

Save as disclosed in the section “Continuing Connected Transactions” below and in this annual report, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Consolidated Affiliated Entities and the Controlling Shareholders during the year ended December 31, 2025.

As noted in the section headed “Relationship with our Controlling Shareholders” of the Prospectus, on one hand, we offer industrial supply chain technology and services to our key accounts and MSM customers, through sales of industrial products, operation of our marketplace, and provision of technology and other services for its customers to efficiently manage their procurement, fulfillment and operations. On the other hand, JD Group will continue to operate, among others, an online retail and marketplace e-commerce business offering a diverse range of products and services. Our business and that of JD Group have distinct differences in terms of business focus and strategy and our Directors (including our independent non-executive Directors) do not believe that any direct or indirect competition is or is likely to be material in nature.

While there are complementary synergies generated by our businesses operating as part of JD Group’s webpage and mobile app, we have extensive measures in place to ensure the clear delineation of products offered that are attributed to JD Group and our Group respectively. The product management system of suppliers on JD Group’s and our Group’s websites and mobile apps is broken down into extensive and distinct categories, of which certain categories are industrial product offerings sold by and attributable to our Group.

Moreover, our Group currently leverages and will continue to leverage the online platforms of JD Group which serve as sales channels for our Group’s industrial products, our Group is also able to facilitate sales of non-industrial products from JD Group to its customers and provide a seamless customer experience. As such, the provision of industrial products to customers is intended to only be carried out by our Group. In this regard, such collaboration is, rather than competing, complementary to both JD Group and our Group’s businesses considering that (i) JD Group does not provide industrial products other than through our Group (and as disclosed in this section headed “Relationship with our Controlling Shareholders” of the Prospectus) and (ii) JD Group is the leading retailer in China and has a leading market position in China’s e-commerce industry, which are and will be highly beneficial for the sale of our Group’s products and services. In addition to and apart from the aforementioned collaboration with JD Group, our Group also generates revenues from sales of industrial products via its self-operated standalone websites and mobile apps.

In addition, our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. Our independent non-executive Directors have reviewed and confirmed that there is no conflict of interests between our Group and our Controlling Shareholders that need to be disclosed to the Shareholders.

Report of the Directors (Continued)

Directors' rights to acquire shares or debentures

Save as disclosed in this annual report, at no time during the year ended December 31, 2025 was the Company or any of its subsidiaries and the Consolidated Affiliated Entities a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

Directors' interests in competing business

Save and except for the interests of our Controlling Shareholders in our Company, its subsidiaries and the Consolidated Affiliated Entities, during the year ended December 31, 2025, neither our Controlling Shareholders nor any of our Directors is considered to have interests in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Directors' and chief executives' interests and short positions in shares and underlying shares and debentures of the company or any of its associated corporations

As of December 31, 2025, the interests and short positions of the Directors and chief executives in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interest in the Company

Name of Director	Nature of interest	Number of ordinary shares	Approximate % of holding ⁽¹⁾
Chunzheng Song (宋春正)	Beneficial owner ⁽²⁾	3,663,526 ^(L)	0.14
Richard Qiangdong Liu (劉強東)	Interest in a controlled corporation; founder of a discretionary trust	2,036,270,230 ^{(3)(L)} 31,681,200 ^{(4)(S)}	75.77 1.18
Bingdong Xu (徐炳東)	Interest in a controlled corporation ⁽⁵⁾	65,000,000 ^(L)	2.42

Notes:

- (1) The percentages are calculated on the basis of 2,687,570,231 Shares in issue as of December 31, 2025.
- (2) Includes Mr. Chunzheng Song (宋春正)'s entitlement to receive up to 3,663,526 Shares pursuant to the exercise of options granted to him under the Pre-IPO ESOP, subject to the conditions (including vesting conditions) of those options.
- (3) These interests comprise of (i) 1,906,574,307 Shares directly held by JD Industrial Technology Limited which is wholly-owned by JD.com, (ii) 90,629,636 Shares held through Max I&P Limited, a BVI company beneficially owned by The Max Smart Trust (Mr. Richard Qiangdong Liu (劉強東) is the sole director of Max I&P Limited and the settlor of The Max Smart Trust), for the shares awards already vested to him pursuant to the Pre-IPO ESOP, (iii) 1,418,440 Shares held by Suzhou Yan Ji Network Technology Co., Ltd that are charged in favor of JD Industrial Technology Limited, pursuant to the equitable mortgage over shares dated May 22, 2020 entered into by Suzhou Yan Ji Network Technology Co., Ltd as mortgagor, JD Industrial Technology Limited as mortgagee, (iv) 17,615,827 Shares directly held by JD Industrial Technology LLC, the only common unit of which is held by JD Industrial Technology Limited, and (v) 20,032,020 Shares directly held by Magical Brush Limited which was wholly-owned by a limited liability partnership which, in turn, was held as to approximately 40.9% by another subsidiary of JD.com. As of December 31, 2025, Mr. Richard Qiangdong Liu (劉強東) is interested in approximately 72.9% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.

- (4) The short position has been released after return of the borrowed shares on January 13, 2026.
- (5) Shanghai Yuan An Enterprise Management Consulting Partnership (Limited Partnership) (上海源安企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Yuan An**”), which holds 35,000,000 Shares, is a PRC-based limited partnership. Shanghai Yuan An is owned by (i) Wuhu Jiyuan Rongcheng Venture Capital Partnership (Limited Partnership) (蕪湖紀源融誠創業投資合夥企業(有限合夥)) as the limited partner, whose general partner is Shanghai Jiyuan Huining Enterprise Management Partnership (Limited Partnership) (上海紀源匯寧企業管理合夥企業(有限合夥)) and (ii) Shanghai Jiyuan Private Equity Fund Management Co., Ltd. (上海紀源私募基金管理有限公司) as the general partner. Shanghai Jiyuan Huining Enterprise Management Partnership (Limited Partnership) is managed by its general partner Shanghai Jican Management Consulting Co., Ltd. (上海紀璨管理諮詢有限公司).

Shanghai Yuanyan Enterprise Management Consulting Partnership (Limited Partnership) (上海源彥企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Yuanyan**”), which holds 14,184,397 Shares, is a PRC-based limited partnership. Shanghai Yuanyan is owned by (i) Xiamen Jiyuan Ronghui Investment Management Partnership (Limited Partnership) (廈門紀源融匯投資管理合夥企業(有限合夥)) as the limited partner, whose general partner is Ningbo Yuanpan Investment Partnership (Limited Partnership) (寧波源磐投資合夥企業(有限合夥)) and (ii) Shanghai Jiyuan Private Equity Fund Management Co., Ltd. as the general partner. Ningbo Yuanpan Investment Partnership (Limited Partnership) is managed by its general partner Tianjin Jiyuan Honghui Consulting Partnership (Limited Partnership) (天津紀源宏慧諮詢合夥企業(有限合夥)), whose general partner is Shanghai Jican Management Consulting Co., Ltd..

Shanghai Yuan Yue Enterprise Management Consulting Partnership (Limited Partnership) (上海源月企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Yuan Yue**”), which holds 9,489,362 Shares, is a PRC-based limited partnership. Shanghai Yuan Yue is owned by (i) Suzhou Jiyuan Haoyuan Venture Capital Partnership (Limited Partnership) (蘇州紀源皓元創業投資合夥企業(有限合夥)) as the limited partner, whose general partner is Shanghai Jiyuan Huining Enterprise Management Partnership (Limited Partnership) and (ii) Shanghai Jiyuan Private Equity Fund Management Co., Ltd. as the general partner. Shanghai Jiyuan Huining Enterprise Management Partnership (Limited Partnership) is managed by its general partner Shanghai Jican Management Consulting Co., Ltd..

Shanghai Yuan Ye Enterprise Management Consulting Partnership (Limited Partnership) (上海源燁企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Yuan Ye**”), which holds 6,326,241 Shares, is a PRC-based limited partnership. Shanghai Yuan Ye is owned by (i) Suzhou Jiyuan Haoyue Venture Capital Partnership (Limited Partnership) (蘇州紀源皓月創業投資合夥企業(有限合夥)) as the limited partner, whose general partner is Zhangjiagang Yuanyu Enterprise Management Partnership (Limited Partnership) (張家港源宇企業管理合夥企業(有限合夥)) and (ii) Shanghai Jiyuan Private Equity Fund Management Co., Ltd. as the general partner. Zhangjiagang Yuanyu Enterprise Management Partnership (Limited Partnership) is managed by its general partner Shanghai Jican Management Consulting Co., Ltd..

Shanghai Jican Management Consulting Co., Ltd. was held by Mr. Bingdong Xu (徐炳東) as to 33.40%. As such, Mr. Bingdong Xu (徐炳東), is deemed to be interested in the 65,000,000 Shares held by Shanghai Jican Management Consulting Co., Ltd. under the SFO.

- (6) (L) denotes a long position in the Shares.
- (7) (S) denotes a short position in the Shares.

(ii) Interests in the underlying shares of associated corporations of the Company

The Company has been granted (i) a certificate of exemption from strict compliance with Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO) to the directors or chief executives of the Company who is/are also a director or chief executive of JD.com (the “**Common Directors/Chief Executives**”) with respect to their disclosure of interest, and short positions, in any shares in JD.com and associated corporations of the Company which are subsidiaries of JD.com (“**Associated Corporations**”), and (ii) a waiver from strict compliance with Practice Note 5 and paragraphs 41(4) and 45 of Appendix D1A, paragraphs 34 (in respect of the requirements for disclosure of interests pursuant to Part XV of the SFO only) and 38 of Appendix D1B, paragraph 49 of Appendix D1C, and paragraphs 12 (in respect of the requirements for disclosure of interests pursuant to Part XV of the SFO only), 13 and 41 (2) of Appendix D2 to the Listing Rules such that the Common Directors/Chief Executives will not be required to disclose their interests and short positions in any shares or underlying shares in the Associated Corporations in accordance with Part XV of the SFO (collectively, the “**DI Waivers**”).

Report of the Directors (Continued)

Further details regarding the waiver and exemption in relation to disclosure of interests information (including the conditions of such waiver and exemption) are set out in the section headed “Waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver and exemption in relation to disclosure of interests information” in the Prospectus.

Except as specifically noted, the following table sets forth the directors’ or chief executives’ beneficial ownership of JD.com’s Class A ordinary shares and Class B ordinary shares as of December 31, 2025.

The calculations in the table below are based on 2,748,133,731 ordinary shares of JD.com outstanding as of December 31, 2025.

Beneficial ownership is determined in accordance with the rules and regulations of the U.S. SEC. In computing the number of shares beneficially owned by a person and the percentage ownership and voting power percentage of that person, JD.com has included shares and associated votes that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares and associated votes, however, are not included in the computation of the percentage ownership of any other person. Ordinary shares held by a shareholder are determined in accordance with JD.com’s register of members.

Name of Director	Ordinary Shares Beneficially Owned*				% of aggregate voting power#
	Class A ordinary shares	Class B ordinary shares	Total ordinary shares	% of beneficial ownership	
Richard Qiangdong Liu (劉強東)	39,974,550 ⁽¹⁾	305,630,780 ⁽¹⁾	345,605,330 ⁽¹⁾	12.5 ⁽¹⁾	72.9 ⁽²⁾⁽³⁾

Notes:

For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of the Class A ordinary shares and Class B ordinary shares as a single class.

* Beneficial ownership information disclosed herein represents direct and indirect holdings of entities owned, controlled or otherwise affiliated with the applicable holder as determined in accordance with the rules and regulations of the U.S. SEC.

(1) Represents (i) 11,487,275 ADSs (each representing two Class A ordinary shares), representing 22,974,550 Class A ordinary shares, held by Max Smart Limited, (ii) 17,000,000 Class A ordinary shares that Mr. Richard Qiangdong Liu (劉強東) had the right to acquire upon exercise of options that had vested by or shall have become vested within 60 days after December 31, 2025 and (iii) 305,630,780 Class B ordinary shares directly held by Max Smart Limited. Max Smart Limited is a BVI company beneficially owned by The Max Smart Trust. Mr. Richard Qiangdong Liu (劉強東) is the settlor of the trust whose beneficiaries are Mr. Richard Qiangdong Liu (劉強東)’s family. These shares do not include 16,145,248 Class B ordinary shares held by Fortune Rising Holdings Limited, a BVI company, as described in note (2) below.

(2) The aggregate voting power includes the voting power with respect to the 16,145,248 Class B ordinary shares held by Fortune Rising Holdings Limited. Mr. Richard Qiangdong Liu (劉強東) is the sole shareholder and the sole director of Fortune Rising Holdings Limited and he may be deemed to exercise the voting power with respect to all of the ordinary shares held by Fortune Rising Holdings Limited in accordance with the rules and regulations of the U.S. SEC, notwithstanding the facts described in note (3) below.

Report of the Directors (Continued)

- (3) Fortune Rising Holdings Limited holds the 16,145,248 Class B ordinary shares for the purpose of transferring such shares to the plan participants under JD.com's share incentive plan, and administers the awards and acts according to JD.com's instruction. Fortune Rising Holdings Limited exercises the voting power with respect to these shares according to JD.com's instruction. Fortune Rising Holdings Limited is a company incorporated in the BVI. Mr. Richard Qiangdong Liu (劉強東) is the sole shareholder and the sole director of Fortune Rising Holdings Limited.

The following table lists out the interests of Directors or chief executives (who are not entitled to the DI Waivers) in JD.com, JD Health and JD Logistics (JD Health and JD Logistics are associated corporations of the Company and are also subsidiaries of JD.com (i.e. fellow subsidiaries)), as of December 31, 2025.

Name of Director	Associated corporation	Nature of interest	Number of shares	% of interest in associated corporation
Chunzheng Song (宋春正)	JD.com	Beneficial owner ⁽¹⁾	90,630 ^(L)	0.00
Chunzheng Song (宋春正)	JD Logistics	Beneficial owner	49,500 ^(L)	0.00
Richard Qiangdong Liu (劉強東)	JD Health	Beneficial owner ⁽²⁾ ; Interest in a controlled corporation ⁽³⁾	2,184,655,829 ^(L)	68.07
Richard Qiangdong Liu (劉強東)	JD Logistics	Beneficial owner ⁽⁴⁾ ; Interest in a controlled corporation ⁽⁵⁾	4,291,457,805 ^(L)	64.47
Po Fong Nancy Ku (顧寶芳)	JD.com	Beneficial owner	11,200 ^(L)	0.00

Notes:

- (1) Includes Mr. Chunzheng Song (宋春正)'s entitlement to receive up to 20,836 shares in JD.com pursuant to restricted share units under the share incentive plan of JD.com.
- (2) Includes Mr. Richard Qiangdong Liu (劉強東)'s entitlement to receive up to 8,840,421 shares of JD Health pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options.
- (3) JD Jiankang, which holds 2,149,253,732 shares in JD Health, is wholly-owned by JD.com. As of December 31, 2025, Mr. Richard Qiangdong Liu (劉強東) is interested in approximately 72.9% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.
- (4) Includes Mr. Richard Qiangdong Liu (劉強東)'s entitlement to receive up to 16,531,120 shares of JD Logistics pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options.
- (5) Jingdong Technology Group Corporation, which holds 4,192,271,100 shares in JD Logistics, is wholly-owned by JD.com. As of December 31, 2025, Mr. Richard Qiangdong Liu (劉強東) is interested in approximately 72.9% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.
- (6) (L) denotes a long position in the shares.

Report of the Directors (Continued)

Save as disclosed above, as of December 31, 2025, none of the Directors and chief executives of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

Substantial shareholders' interests and short positions in Shares and underlying Shares

As of December 31, 2025, the persons other than the Directors, whose interests have been disclosed in this annual report, had an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO, were as follows:

Name of Shareholder	Nature of interest	Number of ordinary shares	Approximate % of holding ⁽¹⁾
JD Industrial Technology Limited ⁽²⁾	Beneficial owner; Security interest in shares; Interest in a controlled corporation	1,925,608,574 ^(L)	71.65
		31,681,200 ^{(3)(S)}	1.18
JD.com ⁽²⁾⁽⁴⁾	Interest in controlled corporation	1,945,640,594 ^(L)	72.39
		31,681,200 ^{(3)(S)}	1.18

Notes:

- (1) The percentages are calculated on the basis of 2,687,570,231 Shares in issue as of December 31, 2025.
- (2) JD Industrial Technology Limited is wholly-owned by JD.com. Under the SFO, JD.com is deemed to be interested in the 1,906,574,307 Shares held by JD Industrial Technology Limited.

1,418,440 Shares held by Suzhou Yan Ji Network Technology Co., Ltd are charged in favor of JD Industrial Technology Limited, pursuant to the equitable mortgage over shares dated May 22, 2020 entered into by Suzhou Yan Ji Network Technology Co., Ltd as mortgagor and JD Industrial Technology Limited as mortgagee. Such charge has been released on January 13, 2026.

JD Industrial Technology Limited holds the only common unit of JD Industrial Technology LLC. Under the SFO, JD Industrial Technology Limited is deemed to be interested in the 17,615,827 Shares held by JD Industrial Technology LLC.
- (3) The short position has been released after return of the borrowed shares on January 13, 2026.
- (4) As of December 31, 2025, another subsidiary of JD.com held approximately 40.9% interest in the limited liability partnership that held 100% interest of Magical Brush Limited. Under the SFO, JD.com is deemed to be interested in 20,032,020 Shares held by Magical Brush Limited.
- (5) (L) denotes a long position in the Shares.
- (6) (S) denotes a short position in the Shares.

Save as disclosed herein, as of December 31, 2025, no person, other than the Directors whose interests are set out in this annual report, had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Emolument policy and Directors' remuneration

In compliance with the CG Code, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the Pre-IPO ESOP, the Post-IPO First Share Scheme and the Post-IPO Second Share Scheme. Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Note 14, Note 32 and Note 15, respectively, to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Share Schemes

The Company has three existing share incentive schemes, namely the Pre-IPO ESOP, the Post-IPO First Share Scheme and the Post-IPO Second Share Scheme. The terms of the Pre-IPO ESOP are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO ESOP does not involve the grant of awards by our Company to subscribe for new Shares after the Listing. The Post-IPO First Share Scheme and the Post-IPO Second Share Scheme are governed by Chapter 17 of the Listing Rules.

14,201,056 new Shares, representing approximately 0.68% of the weighted average of issued share capital of the Company, were issued or may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Pre-IPO ESOP.

Further, details and relevant breakdowns of each of the share schemes are set out below:

1. Pre-IPO ESOP

The Pre-IPO ESOP of the Company as approved and adopted by the Board on December 30, 2021, as amended from time to time.

Purpose

The purpose of the Pre-IPO ESOP is to promote the success and enhance the value of the Company by linking the personal interests of the members of the Board, employees and consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Shareholders. The Pre-IPO ESOP is further intended to provide flexibility to the Company in its ability to motivate, attract and retain the services of its recipients upon whose judgment, interest and special effort the successful conduct of the Company's operation is largely dependent.

Report of the Directors (Continued)

Eligible participants

Persons eligible to participate in the Pre-IPO ESOP include employees, consultants and all members of the Board, as determined by a committee authorized by the Board (the “**Committee**”). The Committee may, from time to time, select from among all eligible individuals to whom awards in the form of options, restricted share awards and restricted share units shall be granted and will determine the nature and amount of each award. No individual had any automatic right to be granted an award pursuant to the Pre-IPO ESOP.

Maximum number of new Shares available for issue

The maximum aggregate number of underlying shares which may be issued pursuant to all awards under the Pre-IPO ESOP is 214,680,851 Shares that are reserved under the Pre-IPO ESOP. The Company will not grant further awards under the Pre-IPO ESOP after the Listing.

Given that no further Pre-IPO awards would be granted under the Pre-IPO ESOP, the outstanding number of options would be equivalent to the number of new Shares available for issue under the Pre-IPO ESOP. As of December 31, 2025 and the date of this report, outstanding options representing 43,996,693 underlying Shares and 43,228,373 underlying Shares (being approximately 1.64% of the issued share capital of the Company as at the date of this report), respectively, were granted to eligible participants pursuant to the Pre-IPO ESOP. Details of the Pre-IPO ESOP are set out in Note 27 to the consolidated financial statements.

Maximum entitlement for each participant

Under the Pre-IPO ESOP, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant but unvested.

Vesting period

The vesting criteria and conditions, and the vesting date are specified in the award agreement. Details of the vesting period of individual grants are stated in the table below.

Period of the Pre-IPO ESOP

The Pre-IPO ESOP commenced on December 30, 2021 and terminated upon Listing. Upon termination of the Pre-IPO ESOP, no award may be granted pursuant to the Pre-IPO ESOP; any awards that are outstanding shall remain in force according to the terms of the Pre-IPO ESOP and the applicable award agreement.

Exercise price

The exercise price per Share subject to an option shall be determined by the Committee and set forth in the award agreement which may be a fixed or variable price related to the fair market value of the Shares. The exercise price per Share subject to an option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by applicable laws, rules and regulations, a downward adjustment of the exercise prices of options mentioned in the preceding sentence shall be effective without the approval of the Company’s shareholders or the approval of the affected participants.

Report of the Directors (Continued)

No consideration was payable by the grantees for the grant of the options under the Pre-IPO ESOP.

Further details of the Pre-IPO ESOP are set out in the section headed “Statutory and General Information — Share Incentive Plans” of Appendix IV to the Prospectus.

Details of the outstanding options granted under the Pre-IPO ESOP are as follows:

Name	Role	Date of grant	Vesting period ⁽¹⁾	Exercise price (USD per Share)	Outstanding	Granted	Exercised	Cancelled	Lapsed	Outstanding	Weighted
					as of January 1, 2025	during the Reporting Period ⁽²⁾	during the Reporting Period	during the Reporting Period	during the Reporting Period	as of December 31, 2025	average closing price of Shares immediately before the date of exercise during the Reporting Period (HKD)
Director											
Chunzheng Song (宋春正)	Executive Director and Chief Executive Officer	April 1, 2022	0.9 to 4 years	0.0000005	2,260,000	—	—	—	—	2,260,000	N/A
		February 28, 2023	0 to 2.1 years	0.0000005	341,706	—	—	—	—	341,706	N/A
		April 1, 2023	0.8 to 2.8 years	0.0000005	711,820	—	—	—	—	711,820	N/A
		July 1, 2023	1 to 4 years	0.0000005	350,000	—	—	—	—	350,000	N/A
Employee participants⁽²⁾											
		July 1, 2022	0.7 to 11.8 years	0.0000005	249,996	—	—	—	136,360	113,636	N/A
		April 1, 2023	0 to 5 years	0.0000005	15,305,117	—	—	—	1,834,168	13,470,949	N/A
		July 1, 2023	0.8 to 4 years	0.0000005	1,376,067	—	—	—	72,582	1,303,485	N/A
		October 1, 2023	0.3 to 4 years	0.0000005	2,764,314	—	—	—	465,396	2,298,918	N/A
		January 1, 2024	0.3 to 4 years	0.0000005	1,722,702	—	—	—	265,007	1,457,695	N/A
		April 1, 2024	1 to 4.5 years	0.0000005	6,032,214	—	—	—	769,531	5,262,683	N/A
		July 1, 2024	1 to 4 years	0.0000005	3,339,245	—	—	—	1,675,647	1,663,598	N/A
		October 1, 2024	0.8 to 4 years	0.0000005	5,414,712	—	—	—	2,053,116	3,361,596	N/A
		January 1, 2025	0.5 to 4 years	0.0000005	—	3,820,355	—	—	814,752	3,005,603	N/A
		April 1, 2025	1 to 4 years	0.0000005	—	6,045,817	—	—	1,132,465	4,913,352	N/A
		July 1, 2025	0.5 to 4 years	0.0000005	—	3,558,071	—	—	853,232	2,704,839	N/A
		October 1, 2025	0 to 4 years	0.0000005	—	456,995	—	—	—	456,995	N/A
		November 10, 2025	0.9 to 3.9 years	0.0000005	—	319,818	—	—	—	319,818	N/A
Total					39,867,893	14,201,056	—	—	10,072,256	43,996,693	

Report of the Directors (Continued)

Notes:

- (1) The exercise period of the options granted under the Pre-IPO ESOP shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date or as extended with the approval of the Board and/or the Scheme Administrator in accordance with the rules of the Pre-IPO ESOP, subject to the terms of the Pre-IPO ESOP and the share option award agreement signed by the grantee.
- (2) all options were granted prior to the Listing.
- (3) The employee participants did not include the Director disclosed above.

2. Post-IPO First Share Scheme

The Post-IPO First Share Scheme was adopted pursuant to the written resolutions of the Shareholders passed on November 27, 2025. The Post-IPO First Share Scheme is governed by Chapter 17 of the Listing Rules.

Purpose

The purposes of the Post-IPO First Share Scheme are to provide the Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to eligible participants; to align the interests of eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire shareholding interests in the Company; and to encourage eligible participants to contribute to the long-term growth and profitability of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

Eligible participants

Any individual, who is: a) an employee (whether full-time or part-time), director or officer of any member of our Group, including persons who are granted awards under the Post-IPO First Share Scheme as an inducement to enter into employment contracts with any member of our Group; b) an employee (whether full-time or part-time), director or officer of: (i) a holding company; (ii) subsidiaries of the holding company other than members of our Group; or (iii) an associated company of our Company; or c) providing services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of our Group, as determined by the Board or its delegate(s) from time to time to be entitled to participate in the Post-IPO First Share Scheme.

Limits on Grant of Awards

The Board or the scheme administrator may, from time to time, in their absolute discretion select any eligible participant to be a grantee and, subject to the rules of the plan, grant an award under the plan to such grantee during the scheme period. The nature, amount, terms and conditions of any such award so granted shall be determined by the Board or scheme administrator in their sole and absolute discretion.

Unless approved by our Shareholders, the total number of Shares issued and to be issued upon vesting and exercise of the awards granted and to be granted under the Post-IPO First Share Scheme and any other share scheme(s) of the Company to each eligible participant (including both exercised and outstanding share options) in any 12-month period shall not exceed 1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue (excluding any treasury shares) (the “**Individual Limit**”). Any further grant of awards to an eligible participant which would result in the aggregate number of Shares issued and to be issued upon exercise of all awards granted and to be granted to such eligible participant (including exercised, canceled and outstanding awards) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of our Shareholders (with such eligible participant and his associates abstaining from voting).

Any grant of awards to any substantial shareholder of the Company or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors. In addition: (a) where any grant of share awards (but not any grant of share options) to any Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the Shares issued and to be issued in respect of all awards granted under the Post-IPO First Share Scheme together with awards granted under any other share schemes of the Company (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue (excluding any treasury shares) at the date of such grant; or (b) where any grant of awards to an independent non-executive director or substantial shareholder of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all awards already granted under the Post-IPO First Share Scheme together with awards granted under any other share schemes of the Company (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of Shares in issue (excluding any treasury shares) at the date of such grant, such further grant of awards must be approved by Shareholders in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.

Maximum number of Shares available for grant

The total number of Shares which may be issued upon exercise of all awards to be granted under the Post-IPO First Share Scheme together with the number of Shares which may be issued pursuant to any awards to be granted under any other share schemes of the Company is 268,757,023, being no more than 10% of the Shares (excluding any treasury shares) in issue on the Listing Date (the “**Scheme Mandate Limit**”) (excluding any

Report of the Directors (Continued)

Shares which may be issued pursuant to the exercise of the Over-allotment Option). For the avoidance of doubt, Shares issued or to be issued pursuant to awards made under the Pre-IPO ESOP shall not be subject to the Scheme Mandate Limit. Shares which have lapsed in accordance with the terms of the rules of the Post-IPO First Share Scheme (or any other share schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The total number of Shares which may be issued pursuant to awards to be granted to service provider participants under the Post-IPO First Share Scheme (excluding any treasury shares) is 2,687,570 Shares, being not more than 0.1% of the Shares in issue on the Listing Date.

During the Reporting Period, no awards had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Post-IPO First Share Scheme and therefore the total number of Shares available for grant and the total number of Shares which may be issued pursuant to awards to be granted to service provider participants under the Post-IPO First Share Scheme (excluding any treasury shares) as of December 31, 2025 was 268,757,023 Shares and 2,687,570 Shares, respectively. During the period from January 1, 2025 up to the date of this report, 3,392,306 awards had been granted, and therefore the total number of Shares available for grant under the Post-IPO First Share Scheme as of the date of this report was 266,102,583 Shares (representing 9.86% of the issued share capital of the Company as at the date of this report).

Remaining life of the Post-IPO First Share Scheme

The Post-IPO First Share Scheme is valid and effective for the period of 10 years commencing on the adoption date and up to November 27, 2035. The remaining life of the Post-IPO First Share Scheme is approximately over 9 years.

Option period

An award may, subject to the terms and conditions upon which such award is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board or its delegate(s) may from time to time determine stating that the option is thereby exercised and the number of shares in respect of which it is exercised.

The Board or its delegate(s) has the discretion to determine the minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved before it can be exercised in whole or in part.

Vesting period

The vesting criteria and conditions, and the vesting date as determined by the Board or its delegate will be specified in the award agreement. The vesting date in respect of any award shall be not less than 12 months from the grant date, provided that for employee participants the vesting date may be less than 12 months from the grant date (including on the grant date).

Exercise price

For awards which take the form of options, the amount payable for each Share to be subscribed for in the event of the option being exercised shall be determined by the Board or the scheme administrator but shall in any event be no less than the higher of: a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant.

Further details of the Post-IPO First Share Scheme are set out in the section headed “Statutory and General Information — Share Incentive Plans” of Appendix IV to the Prospectus.

3. Post-IPO Second Share Scheme

The Post-IPO Second Share Scheme was adopted pursuant to the written resolutions of the Shareholders passed on November 26, 2025 and takes effect from the Listing Date. The Post-IPO Second Share Scheme is a share scheme funded by existing Shares.

Purpose

The purposes of the Post-IPO Second Share Scheme are to provide the Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to eligible participants; to align the interests of eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire shareholding interests in the Company; and to encourage eligible participants to contribute to the long-term growth and profitability of the Company and to enhance the value of the Company and its shares for the benefit of the Company and Shareholders as a whole.

Eligible participants

Eligible participants include any person who is an (i) employee (whether full-time or part-time), director or officer of any member of the Group, or (ii) consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider (who as determined by the scheme administrator has contributed or will contribute to the growth of the Group), of (A) a holding company of the Company, (B) subsidiaries of the holding company other than members of the Group, or (C) an associated company of the Company.

Grant of Awards

The Board or the scheme administrator may, from time to time, in their absolute discretion select any eligible participant to be a grantee and, subject to the rules of the plan, grant an award under the plan to such grantee during the scheme period. The nature, amount, terms and conditions of any such award so granted shall be determined by the Board or scheme administrator in their sole and absolute discretion.

Maximum number of Shares available for grant

There is no limit to the total number of award Shares which may be granted under the Post-IPO Second Share Scheme. For the avoidance of doubt, no new Shares shall be issued (including transfer of treasury shares) by the Company pursuant to the Post-IPO Second Share Scheme.

During the Reporting Period, no awards had been granted.

Report of the Directors (Continued)

Remaining life of the Post-IPO Second Share Scheme

The Post-IPO Second Share Scheme is valid and effective for the period of 10 years commencing on the adoption date and November 26, 2035. The remaining life of the Post-IPO Second Share Scheme is approximately over 9 years.

Award Letter

The Company shall, in respect of each award, issue a letter to each grantee in such form as the Board or the scheme administrator may from time to time determine setting out the terms and conditions of the award (an “**Award Letter**”), which may include, among other terms, the number of Shares in respect of which the award relates, the purchase price or exercise price (as applicable), the vesting criteria and conditions, the vesting date, any minimum performance targets that must be achieved and any such other details as the scheme administrator may consider necessary, and requiring the grantee to undertake to hold the award on the terms of the Award Letter and be bound by the provisions of the rules of the plan.

Exercise or vesting of Awards

The Board or its delegate(s) has the discretion to determine the minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved before it can be exercised in whole or in part.

Except as otherwise specified in the Award Letter, the applicable vesting date for any award: (i) Share option may be exercised in whole or in part by the grantee giving notice in writing to the Company together with a remittance for the required exercise price. Within 10 business days after receipt of the notice and related remittance in full, the Company shall transfer to the grantee the relevant award Shares in respect of which the share option has been exercised; and (ii) For a share award, within 10 business days following the vesting date, subject to receipt in full of the aggregate purchase price payable (if any), the Company shall transfer to the grantee the relevant number of award Shares constituting the share award.

Further details of the Post-IPO Second Share Scheme are set out in the section headed “Statutory and General Information — Share Incentive Plans” of Appendix IV to the Prospectus.

Our connected persons

During the Reporting Period, the Group entered into certain transactions with the following connected persons, which constitute our continuing connected transactions under the Listing Rules.

JD.com and its associates

Connected Relationship	Name
Controlling Shareholder	JD.com and its subsidiaries and consolidated affiliated entities, excluding the Group
JD.com's associates	Including, but not limited to JD Technology

Continuing connected transactions

Set out below is a table in relation to continuing connected transactions of the Group during the Reporting Period and are required under the Listing Rules to be disclosed in the annual report and consolidated financial statements of the Company.

Continuing Connected Transactions	Proposed Annual Cap in 2025 (RMB'000)	Actual Transaction Amount in 2025 (RMB'000)
Payment Services Framework Agreement		
Transaction amount to be paid by us to JD Group and its associate(s)	150,000	58,895
Loyalty Program Framework Agreement		
Transaction amount to be paid by us to JD Group	20,000	5,949
Technology Services Framework Agreement		
Transaction amount to be paid to us by JD Group and its associate(s)	20,000	4,442
Industrial Product Sales Framework Agreement		
Transaction amount to be paid to us by JD Group	200,000	90,812
Non-Industrial Product Procurement Framework Agreement		
Transaction amount to be paid by us to JD Group	26,000	6,639
Marketing Services Framework Agreement		
Transaction amount to be paid to us by JD Group	895,000	751,141
Transaction amount to be paid by us to JD Group	103,000	32,782
Supply Chain Solutions and Logistics Services Framework Agreement		
Transaction amount to be paid by us to JD Group	1,110,000	937,054

Report of the Directors (Continued)

Continuing Connected Transactions	Proposed Annual Cap in 2025 (RMB'000)	Actual Transaction Amount in 2025 (RMB'000)
Technology and Traffic Support Services Framework Agreement		
Transaction amount to be paid by us to JD Group	N/A	494,505
Shared Services Framework Agreement		
Transaction amount to be paid by us to JD Group and its associate(s)	520,000	432,140
Factoring Services Framework Agreement		
Amount of receivable to be purchased by JD Technology	3,800,000	2,495,471
Fees to be charged by JD Technology	320,000	203,715
Contractual Arrangements	N/A	N/A

1. Payment Services Framework Agreement

Our Company entered into a payment services framework agreement with JD.com and its associate(s) on November 28, 2025 (the “**Payment Services Framework Agreement**”), pursuant to which JD Group and its associate(s) (including JD Technology) agreed to arrange our Group to use the payment services through payment channels provided by third party payment service providers or self-owned payment channels, so as to enable users to conduct online purchase of products in an integrated manner from the platforms of both JD Group and our Group.

The initial term of the Payment Services Framework Agreement will commence on the Listing Date and will end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

For payment services provided by third party payment service providers, related costs are first settled by JD Group and later settled in full (on a cost basis of JD Group) by our Group. This will allow our Group to utilize the payment services to enable efficient, safe and prompt real-time payment for our online transactions. JD Group will not charge us additional service fees on the arrangement of payment service. Our Group shall pay JD Group the amount equal to payment service fees charged by third party service providers to conduct online transactions and the service will be charged based on a commission rate with reference to market rates determined by the payment service provider. For payment services directly provided by payment channels operated by JD Group’s associates to our Group, service fees charged to our Group will be calculated with reference to the prevailing market rates. We will annually obtain and review prevailing market rates to ensure that the service fees charged by JD Group’s associates to our Group are fair and reasonable.

Further details of the Payment Services Framework Agreement are set out in the section headed “Connected Transactions” in the Prospectus.

2. Loyalty Program Framework Agreement

Our Company entered into a loyalty program framework agreement with JD.com on November 28, 2025 (the “**Loyalty Program Framework Agreement**”), pursuant to which our Group participates in the customer loyalty program of JD Group and the relevant customer loyalty awards are supplied by JD Group.

The initial term of the Loyalty Program Framework Agreement will commence on the Listing Date and end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

The Group pays JD Group based on the number of loyalty points it granted and unit cost. The unit cost is fixed and the value is the same for the loyalty points granted to customers of our Group and those granted to customers (including retail customers) of JD Group, while the number of loyalty points granted varies among different product categories and is determined by internal assessment of JD Group to achieve best marketing results while providing benefits to customers. The Group will obtain the relevant number of loyalty points record from JD Group in relation to the Group’s business to verify the loyalty points granted annually so as to assess whether the costs charged by JD Group are reasonable. The arrangement with JD Group is not directly comparable with any arrangement between the Group and other third party online platforms, given that the Group extensively uses the services offered by JD Group to facilitate the sales and marketing of the Group’s products and services. If a customer buys a certain amount of products from the Group, this will generate for the customer a corresponding number of loyalty points which is worth a certain dollar amount. Because JD Group supplies these loyalty points directly to the customer, our Group will thus settle the dollar worth of those loyalty points generated on its platform with JD Group. For the avoidance of doubt, if any customer consumes (or uses) the loyalty points during his/her purchase of industrial products from the Group, JD Group will be responsible for settling and paying the Group the equivalent dollar amount.

Further details of the Loyalty Program Framework Agreement are set out in the section headed “Connected Transactions” in the Prospectus.

3. Technology Services Framework Agreement

Our Company entered into a technology services framework agreement with JD.com on November 28, 2025 (the “**Technology Services Framework Agreement**”), pursuant to which our Group will provide certain technology support related services to JD Group and its associates, including but not limited to development of industrial-related information systems, operation and maintenance services, and other similar products and services (“**Technology Services**”).

The initial term of the Technology Services Framework Agreement will commence on the Listing Date and end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

The price of the Group’s products and services under the Technology Services Framework Agreement shall be determined by both parties based on fair market rate with reference to (i) the price charged by the Group to any direct and independent third party customers for comparable products and services, and/or (ii) the price quotations that JD Group and its associates obtain from independent third party service providers for comparable products and services. The Company will annually review the prices of the Group’s products and

Report of the Directors (Continued)

services and ensure that the terms the Group obtain from JD Group and its associates shall be on normal commercial terms or better as compared to those the Group provided to its direct and independent third party customers of comparable profile.

Further details of the Technology Services Framework Agreement are set out in the section headed “Connected Transactions” in the Prospectus.

4. Industrial Product Sales Framework Agreement

Our Company entered into a sales framework agreement with JD.com on November 28, 2025 (the “**Industrial Product Sales Framework Agreement**”), pursuant to which our Group will supply industrial products to JD Group (including but not limited to JD Logistics) for its own use.

The initial term of the Industrial Product Sales Framework Agreement will commence on the Listing Date and end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

The price of the industrial products supplied by our Group to JD Group will be determined by arm’s length negotiation between our Group and JD Group based on fair market rate with reference to (i) the costs of the relevant industrial products, and (ii) the price charged by our Group to independent third party customers, taking into account the business volume.

Further details of the Industrial Product Sales Framework Agreement are set out in the section headed “Connected Transactions” in the Prospectus.

5. Non-Industrial Product Procurement Framework Agreement

Our Company entered into a non-industrial product procurement framework agreement with JD.com on November 28, 2025 (the “**Non-Industrial Product Procurement Framework Agreement**”), pursuant to which our Group will procure certain non-industrial products (such as office supplies) from JD Group to satisfy the demand of key accounts of our Group in their overseas operations in geographical regions outside Chinese Mainland.

The initial term of the Non-Industrial Product Procurement Framework Agreement will commence on the Listing Date and will end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

The price of the non-industrial products procured by our Group from JD Group will be determined by arm’s length negotiation between our Group and JD Group based on fair market rate or better with reference to (i) the price charged by JD Group for any direct and independent third party customers for comparable products and/or (ii) the price quotations that our Group obtain from independent third party suppliers for comparable products. We will annually obtain and review prevailing market rates to ensure that the fees charged by JD Group to our Group to ensure they are fair and reasonable.

Further details of the Non-Industrial Product Procurement Framework Agreement are set out in the section headed “Connected Transactions” in the Prospectus.

6. Marketing Services Framework Agreement

Our Company entered into a marketing services framework agreement with JD.com on November 28, 2025 (the “**Marketing Services Framework Agreement**”), pursuant to which our Group and JD Group will provide certain marketing services to each other, including but not limited to the display of advertisements on various platforms and resources of JD Group and the Group in return for the marketing fees which shall be calculated in accordance with the underlying standard marketing service agreements.

The initial term of the Marketing Services Framework Agreement will commence on the Listing Date and end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

The marketing fees charged by JD Group to the Group and the marketing fees charged by the Group to JD Group are based on various factors, including which party sourced the third party advertiser and the platform and resources the third party advertiser desires to place an advertisement on. We shall annually review and approve the economic split from time to time, to ensure the percentage splits are reasonable and in favor of our Group. The Group will assess these percentage splits based on marketing services rates of other companies through (i) ensuring the costs incurred (including the costs of resources contributed) and profits generated are proportional to the share from the economic splits, and (ii) obtaining comparable quotations from no less than two independent third party advertising agencies. The arrangement with JD Group is not directly comparable with any arrangement between us and other third party online platforms, given that we extensively use the services offered by JD Group to facilitate the sales and marketing of our Group’s products and services.

Further details of the Marketing Services Framework Agreement are set out in the section headed “Connected Transactions” in the Prospectus.

7. Supply Chain Solutions and Logistics Services Framework Agreement

Our Company entered into a supply chain solutions and logistics services framework agreement with JD.com on November 28, 2025 (the “**Supply Chain Solutions and Logistics Services Framework Agreement**”), pursuant to which JD Group (including JD Logistics) will provide integrated supply chain solutions and other logistics services to the Group, including but not limited to warehouse operation and storage services, domestic and international transportation and delivery services, after sales and maintenance services, cash on delivery services, and other related ancillary services in exchange for service fees.

The initial term of the Supply Chain Solutions and Logistics Services Framework Agreement will commence on the Listing Date and will end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

Report of the Directors (Continued)

The service fees to be paid by our Group to JD Group under the Supply Chain Solutions and Logistics Services Framework Agreement are determined after arm's length negotiations with reference to market rates obtainable from comparable service provider, and are charged based on a variety of factors including storage space taken, the weights and the delivery distance of the packages. Our Group will obtain comparable quotations from independent third party service providers on an annual basis to ensure that the terms the Group obtains from JD Group shall be on normal commercial terms or better as compared to those quoted by independent third party service providers for services of similar nature and scale.

Further details of the Supply Chain Solutions and Logistics Services Framework Agreement are set out in the section headed "Connected Transactions" in the Prospectus.

8. Technology and Traffic Support Services Framework Agreement

Our Company entered into a technology and traffic support services framework agreement with JD.com on November 28, 2025 (the "**Technology and Traffic Support Services Framework Agreement**"), pursuant to which JD Group will provide the Group with technology and traffic support services through its online platforms (including www.jd.com and mobile apps), which includes non-public platforms dedicated to key accounts customers. The technology and traffic support services primarily include user traffic support, branding activities, operational support and advertisement access for the Group's merchants and suppliers.

The initial term of the Technology and Traffic Support Services Framework Agreement will commence on the Listing Date and will end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

JD Group will charge commissions by applying a fixed rate on the value of the fulfilled orders of industrial products and services generated through JD Group's online/non-public platforms. The fixed rate JD Group shall charge the Group on the value of the fulfilled orders of industrial products and services generated through JD Group's online platforms shall not exceed 3.0%. The fixed rate JD Group shall charge our Group on the value of the fulfilled orders of industrial products and services generated through JD Group's non-public platforms shall not exceed 1.5%.

The commission fees JD Group charged us were determined on the basis of arm's length negotiations between the relevant parties, which are in line with or better than the rates JD Group charged other independent third parties for similar technology and traffic support services and are in the best interests of our Company and our Shareholders as a whole. The Group will also obtain annually from JD Group a range of the rates that it charges other independent third parties for similar services provided. The arrangement with JD Group is not directly comparable with any arrangement between us and other third party online platforms, given that we extensively use the services offered by JD Group to facilitate the sales and marketing of our Group's products and services. The Group will assess these fee rates based on rates of similar services provided by JD Group to independent third parties as well as technology services rates of other companies on an annual basis to ensure connected transactions are conducted on normal commercial terms or better for the transactions under the Technology and Traffic Support Services Framework Agreement.

We have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rule 14A.53(1) of the Listing Rules to express annual caps for the Technology and Traffic Support Services Framework Agreement in terms of monetary value. As the highest applicable percentage ratio of the transactions contemplated under the Technology and Traffic Support Services Framework Agreement for each of the three years ending December 31, 2027 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon Listing, constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

Further details of the Technology and Traffic Support Services Framework Agreement are set out in the section headed "Connected Transactions" in the Prospectus.

9. Shared Services Framework Agreement

Our Company entered into a shared services framework agreement with JD.com and its associate(s) on November 28, 2025 (the "**Shared Services Framework Agreement**"), pursuant to which JD Group and its associate(s) (including JD Technology) will provide certain (i) back-office administrative support services (including but not limited to cloud services, internet data center related services, provision of servers, information technology support services and maintenance, customer services, artificial intelligence customer support services, electronic signature cloud platform, certain human resources services (namely, human resources management and personnel management services) and corporate business services); (ii) certain shared services (including office premises sharing and leasing, transportation and canteen facilities for staff, administrative purchases and other support services); and (iii) promotion services, where the Group will place advertisements on third party platforms together with and through JD Group to achieve economies of scale, increased efficiency and lower costs for both parties. Customer services refer to the centralized customer service center of JD Group which responds to customers' questions; while customer service of JD Group responds to general questions, questions related to industrial products business are transferred to our Group for handling and are counted towards the personnel costs of our Group.

The initial term of the Shared Services Framework Agreement will commence on the Listing Date and end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

The relevant service fees shall be determined by both parties based on fair market rate or better with reference to (i) the price quotations that the Group obtained from independent third party service providers for comparable services, and/or (ii) the service fees charged by JD Group and its associate(s) to any independent third party for comparable service. The Group will annually review the service fees for these shared services by comparing them against market prices chargeable by independent third party service providers for services of similar nature and scale to ensure that the terms the Group obtained from JD Group and its associate(s) shall be on normal commercial terms or better as compared to those provided by independent third party service providers.

Further details of the Shared Services Framework Agreement are set out in the section headed "Connected Transactions" in the Prospectus.

Report of the Directors (Continued)

10. Factoring Services Framework Agreement

Our Company entered into a factoring services framework agreement with JD Technology on November 28, 2025 (the “**Factoring Services Framework Agreement**”), pursuant to which JD Technology purchases trade receivables from sales of industrial products to certain key accounts that have entered into agreements with our Group.

Our Group’s key accounts constitute creditworthy corporate customers who make bulk purchases, resulting in trade receivables on our balance sheet. The selection basis considered by the Company as to which receivables from key accounts will be included in the scope of these factoring services includes the nature of the customer (eg. whether it is a state-owned enterprise or privately owned), the industry in which the customer operates, and the financial condition and credit risk profile of the customer. After assessing the aforementioned factors and the relevant risks on a case-by-case basis, the Company will procure factoring services for receivables from clients that are of suitable standard. JD Technology provides factoring services by purchasing trade receivables from our Group to enable us to receive early payments and deploy the capital elsewhere and JD Technology takes on the credit risk of the relevant counterparty upon purchasing. JD Technology charges a service fee for the purchase of the trade receivables of our Group. The service fee is determined with reference to the amount of receivables and the creditworthiness of the relevant customer. In normal circumstances, the receivables are transferred to JD Technology without recourse, thereby transferring the risk to JD Technology. Apart from relevant indemnity clauses in the transactions underlying the Factoring Services Framework Agreement which allow JD Technology to claim losses arising from breach of contractual terms by our Group (which may include remedial measures and mitigating acts in the event of breach of contract such as late payment of service fees and false or incomplete arrangement on logistics of factoring), no credit risk for the receivables is borne by the Group. There are no rescission or recall terms.

The initial term of the Factoring Services Framework Agreement will commence on the Listing Date and end on December 31, 2027, subject to renewal upon the mutual consent of both parties.

The interests and fees payable by the Group to JD Technology shall be determined on a fair and reasonable basis and shall not be higher than the interests and fees charged by independent factoring companies in the PRC in providing the same type of factoring services under the same conditions. Such factoring services would not affect the financial independence of the Company given that the Group can obtain quotes from independent factoring companies and it is given to understand that the market rates are comparable to those charged by JD Technology. The factoring services acquired by the Group are based on actual business needs; the Group will not be bound to acquire factoring services from JD Technology and the Group can acquire factoring services from other independent service providers on comparable terms. Our Group will obtain comparable quotations from independent factoring companies in the PRC on an annual basis to ensure that the terms the Group obtains from JD Technology shall be on normal commercial terms or better as compared to those quoted by independent factoring companies for the same type of factoring services under the same conditions.

Further details of the Factoring Services Framework Agreement are set out in the section headed “Connected Transactions” in the Prospectus.

Confirmation from Independent Non-Executive Directors

Our independent non-executive Directors have reviewed the continuing connected transactions mentioned under sections (1) to (10) under the section headed “Continuing Connected Transactions” above (the “**Continuing Connected Transactions**”), and confirmed that the Continuing Connected Transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better;
- (c) according to the agreement governing them on terms that are fair and reasonable; and
- (d) in the interests of the Shareholders as a whole.

During the year ended December 31, 2025, save as disclosed in the section headed “Continuing Connected Transactions” of this annual report, no transactions with related parties (the “**Related Party Transactions**”) disclosed in Note 32 to the financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules.

Confirmations from the Auditor

Deloitte Touche Tohmatsu, the Auditor, has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended December 31, 2025:

- (a) nothing has come to their attention that causes the Auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the Auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (c) nothing has come to their attention that causes the Auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes the Auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

A summary of all significant Related Party Transactions entered into by the Group during the Reporting Period is contained in Note 32 to the consolidated financial statements. During the Reporting Period, other than the continuing connected transactions of the Group set out and recognized on pages 43 to 44 which should be disclosed pursuant to the Listing Rules, no Related Party Transactions disclosed in Note 32 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules.

Report of the Directors (Continued)

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

11. Contractual Arrangements

As disclosed in the section headed “Contractual Arrangements” in the Prospectus, the businesses operated by the Group include the provision of value-added telecommunications services business (the “**Relevant Business**”). Pursuant to applicable PRC laws, regulations and the consultation with applicable governmental authority, foreign investors are restricted to conduct value-added telecommunications services business. After consultation with our PRC Legal Adviser, the Group adopted the Previous Contractual Arrangements on March 30, 2023, which enabled the Group, through its wholly owned subsidiary, WFOE, to exercise control over Onshore Holdco and its subsidiaries that hold the relevant license required for carrying out such services and operating the aforementioned businesses and to consolidate its financial results into the Group’s results. The Previous Contractual Arrangements are a series of contractual arrangements between, among others, the WFOE, the Onshore Holdco and the registered shareholders of Onshore Holdco. The registered shareholders of Onshore Holdco at that time were Mr. Qin Miao (繆欽) as to 45%, Ms. Yayun Li (李婭雲) as to 30% and Ms. Pang Zhang (張雱) as to 25%.

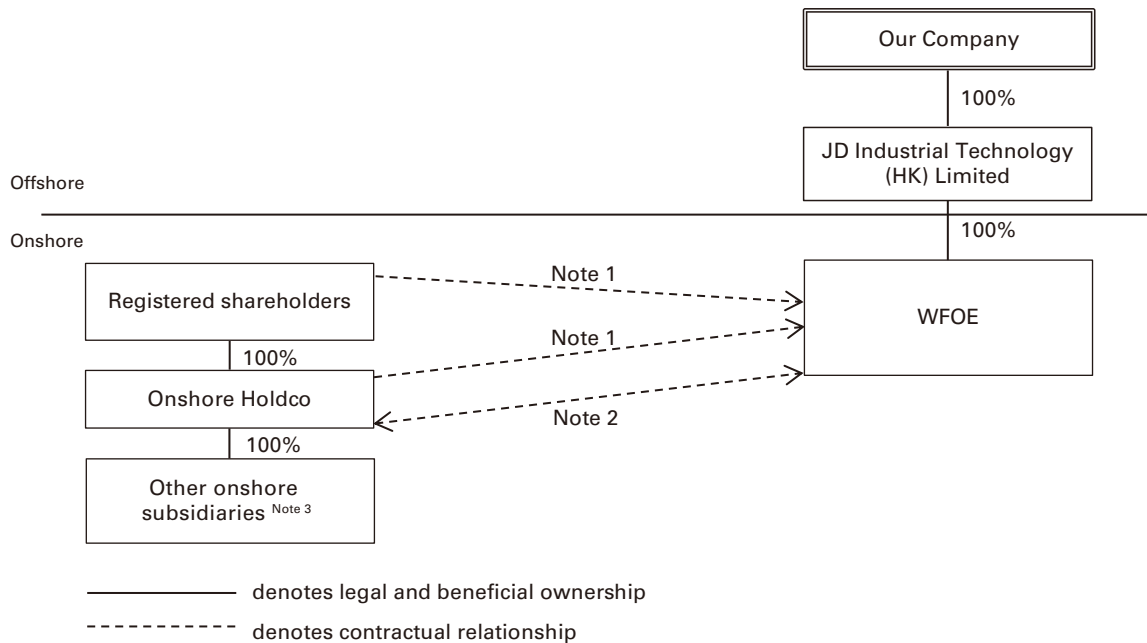
On March 26, 2026, for administration efficiency purpose, Ms. Yayun Li (李婭雲) entered into an equity transfer agreement, pursuant to which Ms. Yayun Li (李婭雲) agreed to transfer 30% of the equity interests in Onshore Holdco to Ms. Tingting Sui (隋婷婷), a vice president of JD Group (the “**Equity Transfer**”). Due to the change of one of its registered shareholders, Onshore Holdco, WFOE and the New Registered Shareholders entered into the New Contractual Arrangements with the Previous Contractual Arrangements being terminated simultaneously. Under the New Contractual Arrangements, the New Registered Shareholders are Mr. Qin Miao (繆欽) as to 45%, Ms. Tingting Sui (隋婷婷) as to 30% and Ms. Pang Zhang (張雱) as to 25%.

The New Contractual Arrangements, having their terms and conditions substantially the same as those of the Previous Contractual Arrangements, were cloned from the Previous Contractual Arrangements, except for changes to the dates of the relevant agreements and the parties to those agreements — where Ms. Yayun Li (李婭雲) has been changed to Ms. Tingting Sui (隋婷婷) as one of the New Registered Shareholders. Accordingly, Onshore Holdco will remain a consolidated affiliated entity of the Company and its financial results will continue to be accounted for and consolidated in the accounts of the Group. The Contractual Arrangements allow the results of operations and assets and liabilities of the Consolidated Affiliated Entities to be consolidated into our results of operations and assets and liabilities under IFRS as if they were subsidiaries of our Group.

The revenue contribution of all the Consolidated Affiliated Entities to our Group, taking into account all of their respective businesses with or without foreign investment restrictions under PRC laws, was RMB1,797.0 million for the year ended December 31, 2025 (2024: RMB1,254.3 million), and that amount has been reflected in the Group’s consolidated financial statements with intercompany balances and transactions between the Consolidated Affiliated Entities, the subsidiaries of the Consolidated Affiliated Entities and other entities within the Group eliminated. Based on the above, and as set out in the section headed “Contractual Arrangements” in the Prospectus, we believe that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations.

Further, the Board is of the view that (i) the Contractual Arrangements are fair and reasonable because: (a) the Contractual Arrangements were freely negotiated and entered into between the WFOE and our Consolidated Affiliated Entities; (b) by entering into the exclusive business cooperation agreement (details of which are provided in the Prospectus) with the WFOE, which is our subsidiary incorporated in PRC, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after the Listing; and (c) a number of other companies use similar arrangements to accomplish the same purpose; (ii) the termination of the Existing Contractual Arrangements and the entering into of the New Contractual Arrangements are fundamental to the Group’s legal structure and business operations; and (iii) the New Contractual Arrangements were entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board believes that the New Contractual Arrangements are fair and reasonable because the Contractual Arrangements were reproduced from the Previous Contractual Arrangements.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Company stipulated under the Contractual Arrangements:



Notes:

(1) The registered shareholders of Onshore Holdco executed the exclusive option agreement in favor of the WFOE, for the acquisition of all or part of the equity interests in and all or part of the assets in the Onshore Holdco. Please refer to “Contractual Arrangements — Our Contractual Arrangements — Exclusive Option Agreement” in the Prospectus.

The registered shareholders of Onshore Holdco executed powers of attorney in favor of the WFOE, for the exercise of all shareholders’ rights in the Onshore Holdco. Please refer to “Contractual Arrangements — Our Contractual Arrangements — Shareholders’ Rights Entrustment Agreement and Powers of Attorney” in the Prospectus.

The registered shareholders of Onshore Holdco granted security interests in favor of the WFOE, over the entire equity interests in the Onshore Holdco. Please refer to “Contractual Arrangements — Our Contractual Arrangements — Share Pledge Agreement” in the Prospectus.

(2) The WFOE provides business support, technical and consulting services in exchange for service fees from the Onshore Holdco. Please refer to “Contractual Arrangements — Our Contractual Arrangements — Exclusive Business Cooperation Agreement” in the Prospectus.

(3) Onshore Holdco holds, among others, 100% of the equity interests of Beijing JINGDONG Boyan Information Technology Co., Ltd. (北京京東博延信息技術有限公司) and Suzhou Gongpinhui.

Report of the Directors (Continued)

Risks relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 67 to 73 of the Prospectus.

- If the PRC government deems that the contractual arrangements in relation to our Consolidated Affiliated Entities do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.
- We rely on contractual arrangements with the Onshore Holdco and its shareholders for a portion of our business operations, which may not be as effective as direct ownership in providing operational control.
- Any failure by the Onshore Holdco or its shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.
- The shareholders of the Onshore Holdco may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.
- We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.
- Regulatory requirements on loans to and direct investment in PRC entities by offshore holding companies and regulatory requirements on currency conversion may at times delay or prevent us from making loans to our PRC subsidiaries and Consolidated Affiliated Entities or making additional capital contributions to our wholly foreign-owned subsidiaries in China, which could materially and adversely affect our liquidity and our ability to fund and expand our business.
- Contractual arrangements in relation to our Consolidated Affiliated Entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or our Consolidated Affiliated Entities owe additional taxes, which could negatively affect our financial condition and the value of Shareholders' investment.
- Our current corporate structure and business operations may be affected by the Foreign Investment Law.

Our Group works closely with the shareholders of the Company's Consolidated Affiliated Entities and our external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Contractual Arrangements.

Summary of the major terms of the Contractual Arrangements

The Contractual Arrangements which were in place during the Reporting Period and a description of the specific agreements that comprise the Contractual Arrangements is set out below:

Exclusive Business Cooperation Agreement

The Onshore Holdco entered into an exclusive business cooperation agreement with the WFOE on March 30, 2023 (the “**Exclusive Business Cooperation Agreement**”), pursuant to which the Onshore Holdco agrees to engage WFOE as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment leasing, market consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under these arrangements, the service fees, subject to the WFOE’s adjustment, are equal to all of the net profit of the Onshore Holdco and its subsidiaries. The WFOE may adjust the service fees at its sole discretion, after consideration of certain factors, including but not limited to the deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year, and may also include accumulated losses of the Onshore Holdco and its subsidiaries from previous financial periods (if applicable), which will be wired to the designated account of the WFOE upon issuance of payment notification by the WFOE. The WFOE enjoys all the economic benefits derived from the businesses of Consolidated Affiliated Entities and bears the relevant portion of the business risks of the Onshore Holdco. If the Onshore Holdco runs into financial deficit or suffers severe operation difficulties, the WFOE will provide financial support to the Onshore Holdco.

Intellectual property rights are developed during the normal course of business of the Onshore Holdco and its subsidiaries. Pursuant to the Exclusive Business Cooperation Agreement, the WFOE will have the exclusive and proprietary rights to all intellectual properties developed by the Onshore Holdco and its subsidiaries, given that the WFOE provides consultation services to the Onshore Holdco and its subsidiaries during the term of the Exclusive Business Cooperation Agreement. Part of the economic benefits generated by the Onshore Holdco and its subsidiaries will be intellectual properties developed or created during the normal business operation of the Onshore Holdco and its subsidiaries. Though we do not intend to transfer any existing intellectual property rights held by the Onshore Holdco to the WFOE, the Onshore Holdco is required under the Previous Contractual Arrangements to obtain the WFOE’s prior written consent before they transfer, assign or dispose of any of the intellectual properties to any third party.

Unless otherwise terminated early by the WFOE, the Exclusive Business Cooperation Agreement will remain effective unless terminated in the event that (a) the entire equity interests held by the Previous Registered Shareholders in the Onshore Holdco or the entire assets of the Onshore Holdco have been transferred to the WFOE; (b) in accordance with the other provisions of the Exclusive Business Cooperation Agreement.

Due to the reasons as stated above, Onshore Holdco entered into an exclusive business operation agreement with WFOE on March 26, 2026, the terms of which substantially mirror the terms of the Exclusive Business Cooperation Agreement as set out above. Upon this new agreement taking effect, the Exclusive Business Cooperation Agreement was terminated simultaneously.

Exclusive Option Agreement

The Onshore Holdco and the Previous Registered Shareholders entered into an exclusive option agreement with the WFOE dated March 30, 2023 (the “**Exclusive Option Agreement**”), pursuant to which the WFOE (or our Company or any subsidiary of our Company, the “**designee**”) is granted an irrevocable and exclusive right to purchase all of the equity interest in and/or assets of the Onshore Holdco for a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. Subject to relevant PRC laws and regulations, the Previous Registered Shareholders and/or the Onshore Holdco shall return any amount of purchase price they have received to the WFOE. At the WFOE’s request, the Previous Registered Shareholders and/or the Onshore Holdco will promptly and unconditionally transfer their respective equity interests in and/or the relevant assets of the Onshore Holdco to the WFOE (or its designee) after the WFOE exercises its purchase right. Unless otherwise terminated early by the WFOE, the Exclusive Option Agreement will remain effective until when all the purchased equity interests and/or the relevant assets are transferred to the WFOE and/or the designee and the WFOE and its subsidiaries have the right to legally conduct the business of the Onshore Holdco according to the PRC law.

In order to prevent the flow of the relevant assets and value of the Onshore Holdco and its subsidiaries to the Previous Registered Shareholders, during the term of the Exclusive Option Agreement, the Onshore Holdco is not allowed to, and shall procure its subsidiaries not to, sell, transfer, mortgage or otherwise dispose of any of its assets (exceeding the value of RMB1 million) without the prior written consent of the WFOE. In addition, the Previous Registered Shareholders are not allowed to request for any distributions, gains or other form of profits sharing and should forgo such distributions, gains or any other form of profits sharing within the scope permitted by the PRC law. In the event that the Previous Registered Shareholders receive any distribution from the Onshore Holdco and/or its subsidiaries and subject to the PRC laws, the Previous Registered Shareholders must immediately pay or transfer such distribution to the WFOE (or its designee). If the WFOE exercises its purchase right, all or any part of the equity interests in and/or assets of the Onshore Holdco acquired would be transferred to the WFOE and the benefits of equity ownership and/or assets, as applicable, would flow to us and our Shareholders.

As provided in the Exclusive Option Agreement, without the prior written consent of the WFOE, the Onshore Holdco shall not, and shall procure its subsidiaries not to, among other things, (i) sell, transfer, pledge or dispose of in any manner any of its assets for a value more than RMB1 million; (ii) execute any material contract for a value more than RMB1 million, except any contracts in the ordinary course of business and any contracts entered into with any members of our Group; (iii) provide any loan, financial support, pledge or guarantees in any form to any third party, or allow any third party create any pledge or other security interest on its assets or equity; (iv) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business of the Onshore Holdco or not disclosed and consented to by the WFOE; (v) enter into any consolidation or merger with any third party, or acquire or invest in any third party; (vi) increase or reduce its registered capital, or alter the structure of the registered capital in any other way. The Exclusive Option Agreement provides that the Onshore Holdco shall procure the subsidiaries of the Onshore Holdco to comply with the above undertaking as if they are parties to the Exclusive Option Agreement. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on the WFOE and us in the event of any loss suffered from the Onshore Holdco and/or its subsidiaries can be limited to a certain extent.

Due to the reasons as stated above, Onshore Holdco and the New Registered Shareholders entered into an exclusive option agreement with WFOE on March 26, 2026, the terms of which substantially mirror the terms of the Exclusive Option Agreement as set out above. Upon this new agreement taking effect, the Exclusive Option Agreement was terminated simultaneously.

Loan Agreement

Pursuant to the loan agreement dated March 30, 2023 between the WFOE and the Previous Registered Shareholders (the “**Loan Agreement**”), the WFOE made loans in an aggregate amount of RMB10 million to the Previous Registered Shareholders for the capitalization of the Onshore Holdco and the purchase of the equity interest of the Onshore Holdco. Pursuant to the Loan Agreement, the Previous Registered Shareholders can only repay the loans by the sale of all their equity interest in the Onshore Holdco to the WFOE or its designated person. The Previous Registered Shareholders must sell all of their equity interests in the Onshore Holdco to the WFOE or its designated person and pay all of the proceeds from sale of such equity interests or the maximum amount permitted under PRC law to the WFOE. In the event that the Previous Registered Shareholders sell their equity interests to the WFOE or its designated person with a price equivalent to or less than the amount of the principal, the loans will be interest free. If the price is higher than the amount of the principal, the excess amount will be paid to the WFOE as the loan interest. The maturity date of the loans is on the tenth anniversary of the date when the Previous Registered Shareholders received the loans and paid the amount as capital contribution to the Onshore Holdco. The term of the loans will be extended automatically for an additional 10 years, unless the WFOE objects, for an unlimited number of times. The loan must be repaid immediately under certain circumstances, including, among others, (i) if any other third party claims against shareholders for an amount more than RMB100,000 and the WFOE has reasonable ground to believe that the shareholders are unable to repay the claimed amount, (ii) if a foreign investor is permitted to hold majority or 100% equity interest in the Onshore Holdco and the WFOE elects to exercise its exclusive equity purchase option, or (iii) if the Loan Agreement, the Share Pledge Agreement (as defined below) or the Exclusive Option Agreement terminates for cause not attributable to the WFOE or is deemed to be invalid by a court.

Due to the reasons as stated above, the New Registered Shareholders entered into a loan agreement with the WFOE on March 26, 2026, the terms of which substantially mirror the terms of the Loan Agreement as set out above. Upon this new agreement taking effect, the Loan Agreement was terminated simultaneously.

Shareholders’ Rights Entrustment Agreement and Power of Attorney

Pursuant to the shareholder’s rights entrustment agreement entered into among the Previous Registered Shareholders, the WFOE and the Onshore Holdco on March 30, 2023 (the “**Shareholders’ Rights Entrustment Agreement**”), and the irrevocable power of attorney executed by each of the Previous Registered Shareholders on the same day (the “**Power of Attorney**”), whereby the Previous Registered Shareholders appointed the WFOE or a director of its offshore holding company or his or her successor (including a liquidator replacing the WFOE’s director) as their exclusive agent and attorney to act on their behalf on all matters concerning the Onshore Holdco and to exercise all of its rights as a registered shareholder of the Onshore Holdco. These rights include (i) the right to propose, convene and attend shareholders’ meetings; (ii) the right to sell, transfer, pledge or dispose of shares; (iii) the right to exercise shareholders’ voting rights; and (iv) the right to act as the legal representative (chairperson), the director, supervisor, the chief executive officer

Report of the Directors (Continued)

(or general manager) and other senior management members of the Onshore Holdco. The authorized person is entitled to sign minutes, file documents with the relevant companies registry and exercise voting rights on the winding up of the Onshore Holdco on behalf of the Previous Registered Shareholders. The Previous Registered Shareholders have each undertaken to transfer all assets obtained after the winding up of the Onshore Holdco to the WFOE at nil consideration or the lowest price permissible by the then applicable PRC laws. As a result of the Shareholders' Rights Entrustment Agreement and the Powers of Attorney, the Company, through the WFOE, is able to exercise management control over the activities that most significantly impact the economic performance of the Onshore Holdco.

The Shareholders' Rights Entrustment Agreement and the Powers of Attorney also provided that, in order to avoid potential conflicts of interest, where the Previous Registered Shareholders are officers or directors of our Group, the powers of attorney are granted in favor of other unrelated officers or the Directors of our Company.

The Shareholders' Rights Entrustment Agreement and the Powers of Attorney shall automatically terminate once the WFOE (or any member of our Group other than the Onshore Holdco and their respective subsidiaries) directly holds the entire equity interests in and/or the entire assets of the Onshore Holdco once permitted under the then PRC laws and the WFOE (or its subsidiaries) is allowed to conduct the Relevant Businesses under the then PRC laws, following which the WFOE is registered as the sole shareholder of the Onshore Holdco.

Due to the reasons as stated above, the New Registered Shareholders, the WFOE and Onshore Holdco entered into a shareholder's rights entrustment agreement on March 26, 2026, the terms of which substantially mirror the terms of the Shareholders' Rights Entrustment Agreement as set out above. Each of the New Registered Shareholders also executed irrevocable power of attorney on the same day, the terms of which substantially mirror the terms of the Power of Attorney set out above. Upon the respective said new agreements taking effect, the Shareholders' Rights Entrustment Agreement and the Power of Attorney were terminated simultaneously.

Share Pledge Agreement

The Onshore Holdco, the Previous Registered Shareholders and the WFOE entered into a share pledge agreement on March 30, 2023 (the "**Share Pledge Agreement**"). Under the Share Pledge Agreement, the Previous Registered Shareholders will pledge as first charge all of their respective equity interests in the Onshore Holdco to the WFOE as collateral security for any or all of their payments due to the WFOE and to secure performance of their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement, the Shareholders' Rights Entrustment Agreement and the Powers of Attorney. The Share Pledge Agreement will not terminate until (i) all obligations of the Onshore Holdco and the Previous Registered Shareholders are satisfied in full; (ii) the WFOE exercises its exclusive option to purchase the entire equity interests held by the Previous Registered Shareholders in the Onshore Holdco and/or the entire assets of the Onshore Holdco pursuant to the terms of the Exclusive Option Agreement when it is permitted to do so under the applicable PRC laws; or (iii) the Share Pledge Agreement is required to be terminated in accordance with applicable PRC laws. In addition, under the Exclusive Option Agreement, none of the Previous Registered Shareholders may transfer or permit the encumbrance of any of their equity

interests in and the relevant assets of the Onshore Holdco (including any equity interests in and the relevant assets of the subsidiaries of the Onshore Holdco) without the WFOE's prior written consent. Furthermore, under the Exclusive Business Cooperation Agreement, the WFOE is entitled to retain and exercise physical control of company seals and certificates that are crucial to the daily operations of the Onshore Holdco, which further strengthens the protection of the WFOE's interests over the Onshore Holdco under the Contractual Arrangements. Should an event of default (as provided in the Share Pledge Agreement) occur, unless it is successfully resolved to the WFOE's satisfaction within 30 days upon being notified by the WFOE, the WFOE may demand that the Previous Registered Shareholders and/or the Onshore Holdco immediately pay all outstanding payments due under the Exclusive Business Cooperation Agreement, repay any loans and make all other payments due to it, and/or dispose of the pledged equity interests and use the proceeds to repay any outstanding payments due to the WFOE. The pledges under the Share Pledge Agreement have been duly registered with the relevant PRC legal authority pursuant to PRC laws and regulations.

The Onshore Holdco, the New Registered Shareholders and the WFOE entered into a share pledge agreement on March 26, 2026, the terms of which substantially mirror the terms of the Share Pledge Agreement set out above. The New Registered Shareholders have pledged their equity interests in the Onshore Holdco to the WFOE and registered such pledges with the relevant PRC governmental authority pursuant to PRC laws and regulations. Upon the new agreement taking effect, the Share Pledge Agreement was terminated simultaneously.

The extent to which the Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the Contractual Arrangements are subject to the restrictions as set out on pages 188 to 201 of the Prospectus. During the Reporting Period, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and the regulatory restrictions that led to the adoptions of the Contractual Arrangements were not removed and hence, none of the Contractual Arrangements had been unwound as a result thereof.

Listing Rule implications

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules as the Previous Registered Shareholders and the New Registered Shareholders were/are considered as connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our Group's legal structure and business, that such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Report of the Directors (Continued)

Waiver from the Stock Exchange and annual review

In respect of the Previous Contractual Arrangements and the New Intergroup Agreements (as defined in the Prospectus), we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver (the “**IPO Waiver**”) from strict compliance with (i) the announcement and independent Shareholders’ approval requirements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject, however, to the following conditions:

- (a) no change without independent non-executive Directors’ approval;
- (b) no change without independent Shareholders’ approval;
- (c) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities;
- (d) the Previous Contractual Arrangements may be renewed and/or reproduced upon expiry or when justified by business expediency, without an announcement, circular or obtaining Shareholders’ approval, on substantially the same terms and conditions as the Previous Contractual Arrangements; and
- (e) our Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

As disclosed in the Prospectus, the Previous Contractual Arrangements may be renewed and/or reproduced upon (i) upon the expiry of the existing arrangements, (ii) in connection with any changes to the shareholders or directors of, or of their shareholdings in, the Consolidated Affiliated Entities, or (iii) in relation to any existing, new or acquired wholly foreign-owned enterprise or operating company (including branch company) engaging in a business similar or relating to those of our Group, without an announcement, circular, or obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Previous Contractual Arrangements.

Since the New Contractual Arrangements is a reproduction of the Previous Contractual Arrangements as stipulated under the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements would continue to fall within the scope of the IPO Waiver and are exempt from (i) the announcement and independent Shareholders’ approval requirements under 14A.105 of the Listing Rules in respect of the transactions contemplated under the New Contractual Arrangements; (ii) the requirement of setting an annual cap for the transactions under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange, subject to compliance with the same conditions of the IPO Waiver.

Confirmation from independent non-executive Directors

Our independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried during the year ended December 31, 2025 have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of their equity interests which are not otherwise subsequently assigned or transferred to the Group during the year ended December 31, 2025, and (iii) no new contracts were entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the year ended December 31, 2025 and the Consolidated Affiliated Entities are fair and reasonable, or advantageous to our Shareholders, so far as our Group is concerned and in the interests of our Shareholders as a whole.

Confirmations from the Company's Independent Auditor

The Auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended December 31, 2025:

- (a) nothing has come to their attention that causes the Auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) nothing has come to their attention that causes the Auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements under the relevant Contractual Arrangements governing such transactions; and
- (c) with respect of the disclosed continuing connected transactions with Consolidated Affiliated Entities under the Contractual Arrangements, nothing has come to their attention that causes the Auditor to believe that dividends or other distributions have been made by Consolidated Affiliated Entities to the holders of their equity interests which are not otherwise subsequently assigned or transferred to the Group.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

Tax relief and exemption

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

Auditor

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the upcoming annual general meeting.



Report of the Directors (Continued)

Purchase, sale or redemption of the Company's listed securities

Save as disclosed in this report, during the year ended December 31, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Hong Kong Stock Exchange (including any sale of treasury shares (as defined under the Listing Rules)). As at December 31, 2025, no treasury shares (as defined under the Listing Rules) were held by the Company.

Public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as of the date of this report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

Important events after reporting date

Save as disclosed above and in this annual report, there were no important events affecting the Company which occurred after December 31, 2025 and up to the date of this report.

By the order of the Board

Richard Qiangdong Liu

Chairman

March 5, 2026



CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the period from the Listing Date to December 31, 2025 (the “**Review Period**”).

Corporate Governance Practices

The Company was incorporated in the Cayman Islands on November 5, 2019 with limited liability, and the shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on the Listing Date.

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company’s corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations, and to enhance the transparency and accountability of the Board to the Shareholders. During the Review Period, the Company has complied with all the applicable code provisions as set out in the CG Code contained in Part 2 of Appendix C1 to the Listing Rules, except as disclosed in this Corporate Governance Report.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for securities transactions by Directors

The Company has devised its own code of conduct for securities transactions (the “**Insider Trading Policy**”) on terms no less exacting than those set out in the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Director’s dealings in the securities of the Company. Having made specific enquiry with all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Insider Trading Policy during the Review Period.

Corporate Governance Report (Continued)

Board of Directors

Board Composition

The details of the Board composition during the Review Period and up to the date of this report are as follows:

Name of Director	Membership of Board Committee(s)
Executive Director: Chunzheng Song (宋春正) (<i>Chief Executive Officer</i>)	Member of Remuneration Committee
Non-executive Directors: Richard Qiangdong Liu (劉強東) (<i>Chairman</i>) Bingdong Xu (徐炳東)	Chairperson of the Nomination Committee
Independent non-executive Directors: Po Fong Nancy Ku (顧寶芳)	Chairperson of the Remuneration Committee Member of the Audit Committee Member of the Nomination Committee
Hanhui Sam Sun (孫含暉)	Chairperson of the Audit Committee Member of Nomination Committee
Xin Tang (湯欣)	Member of the Remuneration Committee Member of the Audit Committee

The biographical information of the Directors is disclosed under the section headed "Directors and Senior Management" on pages 19 to 22 of this annual report.

None of the members of the Board is related to one another.

Chairman and Chief Executive Officer

The positions of Chairman and CEO are held by Mr. Richard Qiangdong Liu (劉強東) and Mr. Chunzheng Song (宋春正), respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The CEO focuses on the Company's business development and the daily management and operations generally.

Independent non-executive Directors

During the Review Period, the Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules (as amended from time to time) and considers each of the independent non-executive Directors to be independent.

Terms of appointment of non-executive Directors

In accordance with the Articles of Association, all the Directors are subject to retirement by rotation at least once every three years. Any new Director appointed by the Board (i) to fill a casual vacancy or (ii) as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at such meeting.

Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company for an initial period of three years from the date of the Prospectus or from the date of the Prospectus until the third annual general meeting of the Company since the Listing (whichever ends sooner) and be automatically renewed for successive periods of three years. Such appointments are subject to retirement as and when required under the Articles of Association, on and subject to the terms and conditions specified in the respective letter of appointment.

Responsibilities, accountabilities and contributions of the Board and management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Directors take decisions objectively in the interests of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including the non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

Corporate Governance Report (Continued)

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous professional development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for the Directors would be arranged and reading material on relevant topics would be provided to the Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The Company was listed on December 11, 2025. Prior to Listing, the key methods of attaining continuous professional development by each of the Directors are recognized as follows:

Name of Director	Participated in continuous professional training⁽¹⁾
Executive Director	
Chunzheng Song (宋春正)	√
Non-executive Directors	
Richard Qiangdong Liu (劉強東)	√
Bingdong Xu (徐炳東)	√
Independent non-executive Directors	
Po Fong Nancy Ku (顧寶芳)	√
Hanhui Sam Sun (孫含暉)	√
Xin Tang (湯欣)	√

Note:

(1) Attended training/seminar/conference arranged by the Company or other external parties or read relevant materials.

Board meetings, general meetings and Committee meetings

Code provision C.5.1 of the CG Code stipulates that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. The Company was only listed on the Listing Date and no Board meeting, Board committee meetings and general meeting were held during the Review Period.

The Board will make arrangements for holding at least four regular Board meetings and a meeting between the Chairman and the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors once a year.

Attendance records of Directors

During the Review Period, the attendance record of each Directors at Board and committee meetings is detailed in the table below.

Name of Director	Attendance/No. of Meeting(s)				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Chunzheng Song (宋春正)	Nil	—	Nil	—	Nil
Richard Qiangdong Liu (劉強東)	Nil	—	—	Nil	Nil
Bingdong Xu (徐炳東)	Nil	—	—	—	Nil
Po Fong Nancy Ku (顧寶芳)	Nil	Nil	Nil	Nil	Nil
Hanhui Sam Sun (孫含暉)	Nil	Nil	—	Nil	Nil
Xin Tang (湯欣)	Nil	Nil	Nil	—	Nil

The Company was only listed on the Listing Date, and notwithstanding code provision C.2.7 of the CG Code, the chairman of the Board did not hold meetings with the independent non-executive Directors without the presence of executive Directors during the Review Period.

Board Committees

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing specific aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board.

Corporate Governance Report (Continued)

As of the date of this report, the Audit Committee comprises three members, namely Hanhui Sam Sun (孫含暉), Po Fong Nancy Ku (顧寶芳), and Xin Tang (湯欣). Hanhui Sam Sun (孫含暉), Po Fong Nancy Ku (顧寶芳), and Xin Tang (湯欣) are independent non-executive Directors. Hanhui Sam Sun (孫含暉) is the chairperson of the Audit Committee.

The Audit Committee is mainly responsible for, inter alia, the following matters:

- assisting the Board in reviewing the financial information and reporting process of the Company;
- monitoring and reviewing risk management and internal control systems of the Company through the internal audit department;
- reviewing the effectiveness of the internal audit function of the Company;
- reviewing the scope of audit and appointment of external auditor of the Company; and
- supervising internal investigation and reviewing the arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

As the Company was listed on the Stock Exchange on the Listing Date, the Audit Committee did not hold a meeting during the Review Period. The Audit Committee reviewed the annual results announcement and the annual report of the Group for year ended December 31, 2025 on March 4, 2026. During the meeting, the Audit Committee also reviewed the significant issues on the financial reporting, operational and compliance matters, risk management and internal control systems and internal audit function, scope of work and appointment of external auditor and connected transactions.

Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.

As of the date of this report, the Remuneration Committee comprises three members, namely Po Fong Nancy Ku (顧寶芳), Chunzheng Song (宋春正) and Xin Tang (湯欣). Chunzheng Song (宋春正) is an executive Director, Po Fong Nancy Ku (顧寶芳) and Xin Tang (湯欣) are independent non-executive Directors. Po Fong Nancy Ku (顧寶芳) is the chairperson of the Remuneration Committee.

The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The primary functions of the Remuneration Committee include:

- reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- reviewing and making recommendations to the Board on the remuneration of the non-executive Directors;
- reviewing and approving the terms of and/or matters relating to incentive schemes (including share schemes under Chapter 17 of the Listing Rules);
- reviewing and making recommendations to the Board on the Company's policy and structure for the remuneration all Directors and senior management; and
- establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

As the Company was listed on the Stock Exchange on the Listing Date, the Remuneration Committee did not hold a meeting during the Review Period.

Details of the fees and other emoluments paid or payable to the Directors for the year ended December 31, 2025 are set out in Note 14 to the audited consolidated financial statements contained in this annual report.

Remuneration Policy of Directors and Senior Management

The remuneration of Directors comprises an annual directors' fee and may also be entitled to options and/or awards under the rules of the share option scheme or share award scheme adopted by the Company from time to time. Such remuneration is determined and recommended by the Remuneration Committee with reference to the respective Directors' qualification, competencies and responsibilities with the Company, the Company's remuneration policy (as disclosed in this annual report) and the prevailing market conditions.

The remuneration of the members of senior management (including the executive Directors) by band for the year ended December 31, 2025 is set out below:

	Number of members of senior management
Nil to RMB50,000,000	2
Total	2

Corporate Governance Report (Continued)

Nomination Committee

The Company has established a Nomination Committee with written terms of reference in compliance with the CG Code in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession.

As of the date of this report, the Nomination Committee comprises three members, namely Richard Qiangdong Liu (劉強東), Po Fong Nancy Ku (顧寶芳) and Hanhui Sam Sun (孫含暉). Richard Qiangdong Liu (劉強東) is a non-executive Director, and Po Fong Nancy Ku (顧寶芳) and Hanhui Sam Sun (孫含暉) are independent non-executive Directors. Richard Qiangdong Liu (劉強東) is the chairperson of the Nomination Committee.

The principal duties of the Nomination Committee include:

- reviewing the structure, size and composition of the Board as per the Board Diversity Policy;
- developing and formulating relevant procedures for the nomination and appointment of Directors;
- supporting the Company's regular evaluation of the Board's performance;
- making recommendations to the Board on the appointment and succession planning of Directors; and
- assessing the independence of independent non-executive Directors.

As the Company was listed on the Stock Exchange on the Listing Date, the Nomination Committee did not hold a meeting during the Review Period.

Board Diversity Policy

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a director of the Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. Pursuant to the Board Diversity Policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

Pursuant to the Board Diversity Policy, the Company has set the following measurable objectives:

- the Company aims to maintain an appropriate balance of skills, experience and diversity of perspectives on the Board that are relevant to the Company's business growth;

- the Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered; and
- the Nomination Committee will discuss periodically and, where appropriate, agree on measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

During the Review Period, the Nomination Committee has reviewed and considered the implementation of the Board Diversity Policy to be effective. The Board Diversity Policy is well implemented as evidenced by the fact that there are both female and male Directors from a diverse age group with experience from different industries and sectors. The Board is characterised by significant diversity in terms of gender, age, education background and professional experience. The Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of industrial supply chain, information technology supply chain, business management, investment, equity and corporate finance, and law. They obtained degrees in various areas including sociology, business administration and law. Gender diversity of the Board stands at approximately 17%, representing one female out of six Directors, a relatively high level amongst companies listed on the Stock Exchange. In addition to gender diversity, the Board targets to maintain the current level of female representation, with the ultimate goal of achieving gender parity.

Director Nomination Policy

In accordance with code provision E(d)(iii) of the CG Code, the Company has adopted a director nomination policy for election of directors (the “**Director Nomination Policy**”) on November 26, 2025.

The Director Nomination Policy sets out the criteria and procedure in the nomination and appointment of Directors, and ensures that the Board will maintain a balance of skills, experience and diversity of perspectives appropriate to the Company. The Board believes that the defined selection process is good for corporate governance in ensuring the Board’s continuity and appropriate leadership at Board level, and enhancing Board effectiveness and diversity.

According to the Director Nomination Policy:

- (i) the Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee;
- (ii) the Nomination Committee shall identify, consider and recommend suitable individuals to the Board to consider and to make recommendations to the Shareholders for election of Directors at a general meeting;
- (iii) in assessing the suitability and the potential contribution to the Board of a proposed candidate, the Nomination Committee may make reference to certain selection criteria, such as integrity, professional qualifications and skills, commitment in respect of available time, and diversity in all aspects; and
- (iv) the Nomination Committee shall make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

Corporate Governance Report (Continued)

Corporate governance functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board would review the Company's corporate governance policies and practices, training and continuous professional development of the directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, code of conduct and the compliance manual, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. The Board has performed the above duties during the Review Period.

Board independence policy

The Company recognizes that Board independence is key to good corporate governance. As part of the established governance framework, the Group has adopted the Policy on Obtaining Independent Views and Input (the "**Board Independence Policy**") in November 2025, which demonstrates the Company's commitment to high standards of corporate governance, and making good governance integral to the Company's culture.

According to the Board Independence Policy, the Board, Board committees or individual Directors may seek such independent professional advice, views and input as considered necessary to fulfil their responsibilities and in exercising independent judgement when making decisions in furtherance of their Directors' duties at the Company's expense (the "**Mechanism**"). Independent professional advice shall include legal advice and advice of accountants and other professional financial advisers on matters of law, accounting, tax and other regulatory matters.

In the event that independent professional advice, views and input are considered necessary, the Board, Board committees or individual Directors shall communicate with the company secretary to start the Mechanism, providing background and details of the relevant incidents and/or transactions, and the issues involved which would require independent views and input. They may direct any questions, queries, concerns or specific advice to be sought to the company secretary who will then contact the Company's professional advisers (including legal advisers, accountants, independent auditor, internal control advisers) or other independent professional parties to obtain such independent professional advice within a reasonable period of time. Any advice obtained through the Mechanism shall be duly documented and made available to other members of the Board.

Despite having obtained any information or advice from the chairperson of the Board and/or any independent professional advisers through the Mechanism, the Directors are expected to exercise independent judgement in forming their decisions.

During the Review Period, the Board has reviewed and considered the implementation of the Board Independence Policy and the Mechanism to be effective.

Other governance policies

The Company has adopted the anti-corruption and whistleblowing policy in accordance with code provision D.2.6 and D.2.7 of the CG Code. This policy is reviewed from time to time to ensure their relevance and appropriateness to the Group's business, corporate strategy and stakeholder expectations.

Workforce diversity

As of December 31, 2025, the gender diversity of the Group was approximately 41.7%, representing 1,009 females out of 2,419 employees (including senior management). With a strong focus on promoting gender diversity in the workforce, the Group continues to increase the number of female employees. To support the achievement of these targets, specific initiatives have been implemented, including a review of the recruitment process, with job descriptions and postings amended to motivate a broader applicant pool, as well as changes to applicant screening and interviews. In addition, to support diversity across all facets, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, equitable hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours.

Directors' responsibility in respect of the consolidated financial statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company during the Review Period.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company, Deloitte Touche Tohmatsu, about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 81 to 84 of this annual report.

Dividend Policy

In accordance with code provision F.1.1 of the CG Code, the Company adopted a dividend policy (the "**Dividend Policy**") in November 2025, which outlines the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders.

According to the Dividend Policy:

1. Subject to Cayman Islands company law and the Articles of Association (as amended from time to time), the Board has absolute discretion on whether to declare and distribute dividends. In addition, the Shareholders in general meeting may declare dividends but no dividend may be declared in excess of the amount recommended by the Board. In either case, a dividend may only be declared and paid out of the profits and reserves of the Company that are lawfully available for distribution (including share premium), and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend on the Company's future operations and earnings, capital requirements and surplus, cash flows, general financial condition, contractual restrictions and other factors that the Board considers relevant.
2. Any future dividend payments to Shareholders will also depend upon the availability of dividends received from the subsidiaries of the Company. Regulations in China may restrict the ability of the Company's PRC subsidiaries to pay dividends to the Company.

Corporate Governance Report (Continued)

3. If the Company pays any dividends on the Shares, unless and to the extent that the rights attached to the Shares or the terms of issue thereof otherwise provide, (i) all dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on Shares in advance of calls may for this purpose be treated as paid up on the Shares, and (ii) all dividends will be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. The Board may deduct from any dividend or other monies payable to any of the Shareholders all sums of money (if any) presently payable by such Shareholders to the Company on account of calls, instalments or otherwise.
4. Any final dividend for a financial year will be subject to Shareholders' approval. The Company may declare and pay dividends in cash or by shares. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association and all applicable laws and regulations.
5. The Company does not have a fixed dividend payout ratio. The Company currently intends to recommend dividends commensurate with the industry average level, while maintaining adequate reserves for its operations, expansion and future growth. The Dividend Policy reflects the Board's current views on the Company's financial position. The Board will continue to review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.

Risk management and internal control

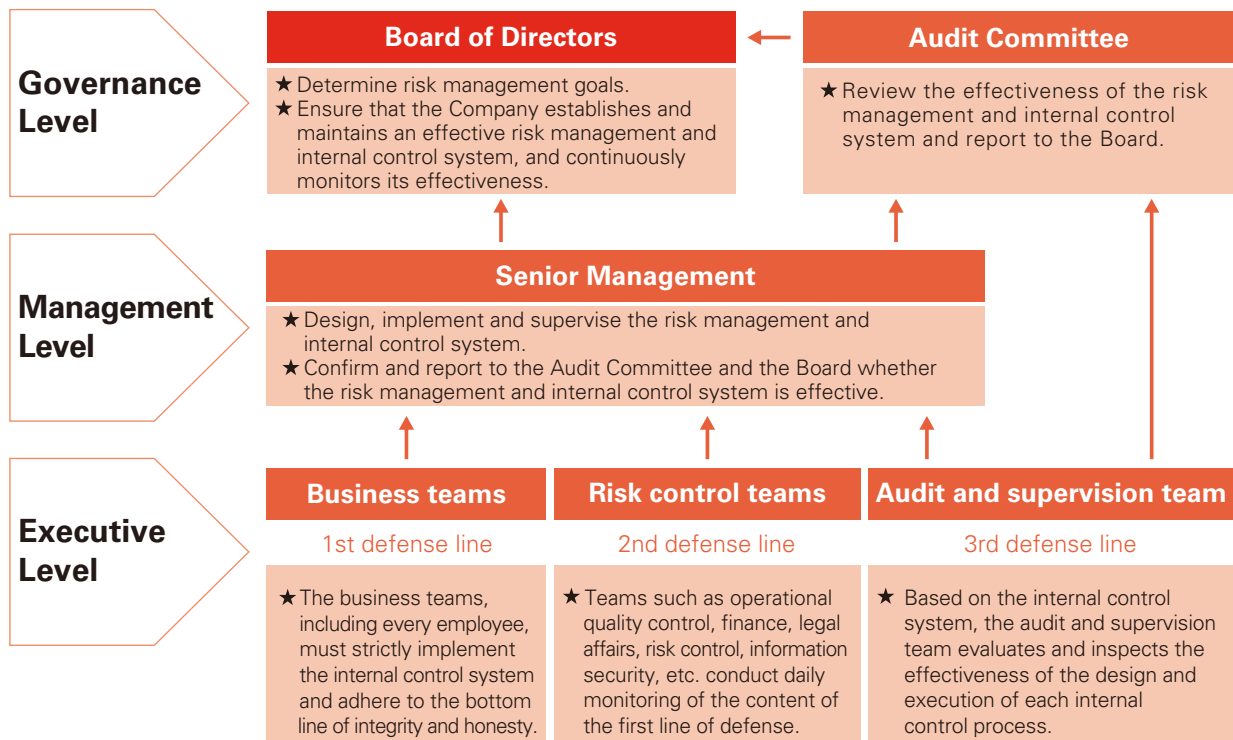
Risk management is one of the core competitive competencies of the Company's business. We are committed to achieving a consistent standard of strict and effective risk management and internal control to promote the efficiency of the organization's operations, reduce the risk of asset loss, and assure, to a satisfactory degree, reliable financial reporting and compliance with laws and regulations.

The Board is responsible for the Group's risk management and internal control system and reviews the effectiveness of this system. This system is designed to manage, though not entirely eliminate, the risk of failing to achieve business objectives, and provides a satisfactory, albeit not absolute, assurance against material misrepresentations or losses. On behalf of the Board, the Audit Committee reviews the effectiveness of the Group's risk management and internal control system on an annual basis.

The Board has completed the review of the effectiveness of the Group's risk management and internal control system and is of the view that for the year ended December 31, 2025, (a) the Group has adequate and effective internal audit functions to continuously monitor the success of its risk management and internal control system; and (b) the Group's risk management and internal control system is effective.

Organization chart for risk management and internal control

The Group’s framework for risk management and internal control includes three levels: governance, management and executive. The roles and reporting relationships of the different levels are illustrated below:



The business team assumes the main responsibility for carrying out internal control activities. To ensure that risk management measures are implemented effectively, the Group has maintained a strict internal control system as well as formulated and issued a code of conduct for its employees. It has also adopted mechanisms including, but not limited to, internal inspection, risk management performance appraisal, a policy of joint accountability and rewards for risk-reporting.

The risk management teams, including the operational quality control team, finance team, legal affairs team, risk control team and information security team, monitor the Group’s daily operations and business development. Every year, for major risk areas, the risk management teams and the management of each business team jointly discuss and conduct risk identification and risk assessment. They also formulate risk response measures that serve as the main guide for risk management and internal control work for the following fiscal year.

The internal audit team evaluates the effectiveness of the risk management and internal control system twice a year and its implementation. The internal audit team also reports to the Audit Committee and senior management on its conclusions and the major internal control deficiencies identified, if any.

Corporate Governance Report (Continued)

On behalf of the Board, the Audit Committee reviews the effectiveness of the Group's risk management and internal control system on an annual basis. The review procedures include, among other things, taking in inputs from the business teams, risk management teams, internal audit team and external auditors, reviewing relevant work reports of various departments and discussions with senior management on significant changes in risks and significant internal control deficiencies, if any. In addition, the Audit Committee holds meetings every year to consult on, *inter alia*, the conclusions from its review on the effectiveness of the risk management and internal control system, solutions to major internal control deficiencies, the Group's major risk assessment results and the annual risk management and internal control proposal.

The Group conducts various types of risk management-related trainings every year to enhance its employees' risk awareness and risk management capabilities. The topics covered in the trainings include, among other things, external regulations, the Group's business process specifications, standards for employee conduct and network security.

Risk management procedures

The procedures used by the Group to identify, assess and manage significant risks are as follows:

- Risk identification — Based on the Group's risk management objectives, the management level, from the standpoint of major areas such as strategic management, operations, finance, legal compliance, information technology and data security, human resources, reputation management and disaster management, identifies risk factors that affect the Group's realization of its objectives.
- Risk assessment — Regarding inherent risks and residual risks, the management, based on the two dimensions of probability and impact, further analyzes, qualitatively evaluates and scores the risks, ranking the risks on a scale of "high", "medium" and "low".
- Risk response — Risk response strategies include risk avoidance, risk transfer, mitigation and acceptance. Based on the risk identification and assessment results, the management selects appropriate response strategies and formulates measures to address specific risks.
- Risk monitoring — Through ongoing supervision and individual evaluation, the management team continuously evaluates the quality of the internal control system and makes adjustments when necessary, through combining continuous monitoring and individual evaluation.
- Risk reporting — This involves upward and downward reporting and parallel communication of information regarding risks. Risk reporting includes reporting on the effectiveness of risk management and internal control system to the Group's management, the Board and its Audit Committee. Downward reporting and parallel communication refer to communication with and providing feedback to various business teams on risk matters.

Dealings with and disseminating inside information

The Group has adopted adequate and effective internal control measures to regulate dealings with and the dissemination of inside information. These measures also serve to prohibit the unauthorized access to and use of inside information, and to ensure that dealings with and the dissemination of inside information by the Group meets the requirements of the SFO.

Important risks

During the Reporting Period, the risk management team and the management of each business team have jointly discussed, identified, assessed and formulated response measures for important risks in various fields to guide risk management and internal control for the 2026 fiscal year. The important risks ranked as “high” are summarized below for the 2025 fiscal year.

Uncertainties in business development and industry competition risk

The Group has a relatively limited history of engaging in industrial supply chain technology and service businesses and limited experience in operating our digital procurement services. As the industrial supply chain technology and service market emerged in China only in recent years, the long-term viability and prospects of digitalizing the industrial supply chain in China remain untested. Significant actions by major industry participants, the introduction of new business models, and the entry of new competitors may all have an adverse effect on JD Industrials’ competitive advantages and market position.

Fulfilling our corporate mission, implementing our business strategies, and maintaining our competitive advantages are the goals we continuously pursue.

JD Industrials’ senior management has always been committed to innovating and diversifying business planning and strategic layout. In the process of firmly implementing the Group’s strategy, we have made great efforts to accumulate and build our core competitive advantages. The Group has deployed a professional team to conduct in-depth analyses of the competition in the industry, so that the Group’s management can understand the industry status and competitive landscape in a timely manner, providing a reference for responding to competitive risks. The heads of the business sectors pay close attention to competition in their own sectors and report insights and assessments at regular senior management meetings.

We are making decisions in connection with our long-term business strategy including our ability to expand the breadth and depth of our solutions and services and further invest in proprietary technologies. We make certain assumptions including, but not limited to, those related to customer demand and preferences, competition landscape and the economy in China and globally, and devote to maintaining and enhancing the core competitiveness.

Information technology and data security risks

As a customer-centered supply chain service provider, the Group generates and processes a large amount of data, including personal, transactional, collective, and behavioral data in its business, which are private and sensitive. Information system failures, cybersecurity vulnerabilities, or the leakage, loss, or tampering of user data could have an adverse impact on our reputation and business development. Particularly in the field of network security and personal information data security, relevant regulatory requirements are constantly updated and tightened. If the Group fails or is deemed to fail to comply with relevant laws and regulations, we will be subject to punishment, which will have a significant negative impact on the Company’s reputation and business prospects.

Corporate Governance Report (Continued)

The Group strictly complies with laws and regulations such as the PRC Cybersecurity Law and the PRC Data Security Law, and fully implements information security management systems including the “JD Group Information Security Management System”, the “JD Group Network Security Management Specification”, and the “JD Group Supply Chain Security Management Specification”. On this basis, the Company has formulated internal policies such as “JD Industrials Data Management Standards and Data Extraction Process”, “JD Industrials Standardized Document Management System”, and “JD Industrials Data Dashboard Management Standards”, and established mechanisms such as data classification and control processes, a unified document management system, and visualization permissions for internal data usage to prevent the risk of information leakage and ensure information security. The Group systematically carries out privacy protection work in accordance with the Group’s relevant policies, such as the “Data and Privacy Security Management Standards”, “Security Guidelines for Employees Using Sensitive Data”, “Detailed Rules for the Security of User Privacy Data Storage”, and “Detailed Rules for the Protection of Personal Information of Minors”. The Company implements privacy protection measures covering the entire life cycle of users’ personal information, and effectively protects users’ privacy and security through data classification and hierarchical management, preventing privacy leakage incidents.

In addition, the Group also conducts training for internal employees targeting different business scenarios to deepen their understanding of the eight key points on information security, data security, and privacy, effectively improving management level of information security and privacy protection.

Auditor’s remuneration

Set out below is a breakdown of the remuneration paid/payable to the Auditor, Deloitte Touche Tohmatsu, in respect of the audit and audit related services and the non-audit services for the year ended December 31, 2025. The audit and audit related services conducted by the Auditor comprise of audit and review services for the Group.

Service Category	Fees Paid/Payable RMB’000
Audit and audit related services	1,800
Non-audit services	—

Company secretary

Ming King Chiu (趙明璟), our company secretary, is the Head of Company Secretarial Services (Client Portfolio Management), Greater China at Vistra Corporate Services (HK) Limited. The biographical information of Mr. Chiu is disclosed under the section headed “Directors and Senior Management — Company Secretary” on page 22 of this annual report.

Mr. Chiu’s primary contact person at the Company is Xuedong Wang (王雪東), the chief financial officer of the Company.

During the Review Period, Mr. Chiu has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

Changes in constitutional documents

The Company had passed special resolution on November 27, 2025 to adopt the fourth amended and restated memorandum and articles of association which came into effective from the Listing Date. Save as the above mentioned, there is no significant change in the Company's constitutional documents during the Review Period.

Shareholders' rights

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an extraordinary general meeting by Shareholders

Pursuant to Article 12.3 of the Articles of Association, general meetings shall be convened on the written requisition of any one or more members holding together, as of the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the issued shares of the Company which as at that date carry the right to vote at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Board does not within one month from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further one month, the requisitionist(s) themselves or any of them holding no less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting forward proposals at general meetings

The Board is not aware of any provisions allowing the Shareholders to put forward proposals at general meetings of the Company under the Articles of Association and the Companies Act. Shareholders who wish to put forward proposals at general meetings may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Detailed procedures for Shareholders to propose a person for election as a director of the Company are published on the Company's website.

Putting forward enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Corporate Governance Report (Continued)

Contact details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 3rd Floor, Building 4, JD National Headquarters
No. 59 Kechuang 11 Street
Yizhuang Economic and Technological Development Zone
Daxing District
Beijing 101111, People's Republic of China
(For the attention of the Board of Directors/Company Secretary)

Email: jdiir@jd.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. The information of the Shareholder(s) may be disclosed as required by law.

Communication with Shareholders and investor relations

The Company considers effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company adopted a shareholders' communication policy (the "**Shareholders' Communication Policy**") on November 27, 2025, which aims to set out the approach of the Board to provide Shareholders of the Company and other stakeholders (including potential investors) with balanced and understandable information about the Company.

In accordance with the Shareholders' Communication Policy, the Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. Directors (or their delegates as appropriate), appropriate management executives and external auditor will use all reasonable endeavours to attend annual general meetings and answer enquiries from Shareholders.

Also, the Company discloses information and publishes periodic reports and announcements to the public on the Stock Exchange's website in a timely manner in accordance with the Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and does not contain any material omission, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions.

As the information of the Company be disseminated in a timely and effective manner, the Company has reviewed and considered the implementation of the Shareholders' Communication Policy to be effective during the Review Period.

By the order of the Board

Richard Qiangdong Liu
Chairman

March 5, 2026

INDEPENDENT AUDITOR'S REPORT



To the Shareholders of JINGDONG Industrials, Inc.

(incorporated in Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of JINGDONG Industrials, Inc. (the "Company"), its subsidiaries and consolidated affiliated entities (collectively referred to as "the Group") set out on pages 85 to 166, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – product revenue	
<p>The Group recognizes product revenue when the products are delivered and title is passed to customers. Because of the online nature of the business, the Group uses a suite of automated information technology (“IT”) systems to process and record such revenue transactions. We identified a key audit matter related to product revenue considering the nature of the audit evidence obtained is largely dependent on the Group’s IT systems. This required an increased extent of effort to determine the nature, timing and extent of audit evidence required to be obtained, including the need for us to involve IT professionals to assist with the performance of certain procedures.</p>	<p>Our audit procedures related to the Group’s system to process and record product revenue transactions included the following, among others:</p> <p>With the assistance of our IT professionals, we:</p> <ul style="list-style-type: none">• Identified relevant IT systems used to process revenue transactions and tested the general IT controls over each system, including testing of user access controls, change management controls, and data center and network operation controls;• Performed testing of relevant automated controls and interface controls of the IT systems used in the transaction process; <p>We tested relevant manual controls over related to product revenue process; and</p> <p>We tested, on a sample basis, product revenue transactions, by agreeing the recorded revenue to supporting documents including but not limited to executed customer orders, product delivery evidence with acceptance by customers and cash collections to evaluate whether the revenue was properly recorded.</p>

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mak Chi Lung.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

March 5, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Revenue	6	23,951,789	20,397,741
Cost of revenue		(19,784,184)	(17,084,356)
Gross profit		4,167,605	3,313,385
Fulfillment expenses		(1,765,645)	(1,126,706)
Selling and marketing expenses		(1,013,798)	(844,515)
Research and development expenses		(306,956)	(289,334)
General and administrative expenses		(268,699)	(193,710)
Other income and gains/(losses), net	7	192,705	(25,227)
Finance income	8	265,403	293,277
Finance costs	9	(203,859)	(193,182)
Fair value changes of convertible preferred shares	31	1,399,996	(47,607)
Impairment losses (including reversals of impairment losses) on financial assets	10	(1,463)	(3,778)
Profit before income tax	12	2,465,289	882,603
Income tax expense	11	(151,566)	(120,995)
Profit for the year		2,313,723	761,608
Earnings per share		RMB	RMB
Basic	16	1.12	0.37
Dilute	16	0.36	0.33

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Profit for the year	2,313,723	761,608
Other comprehensive income/(loss)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	29,603	(9,883)
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation from functional currency to presentation currency	(41,327)	(41,643)
Other comprehensive loss for the year	(11,724)	(51,526)
Total comprehensive income for the year	2,301,999	710,082

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As of December 31,	
	Notes	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property and equipment	17	11,703	8,135
Right-of-use assets	18	8,860	4,934
Goodwill	19	417,834	417,834
Other intangible assets	20	20,501	27,680
Financial assets at fair value through profit or loss ("FVTPL")	21	525,803	553,554
Deferred tax assets	11	106,102	84,112
Prepayments, other receivables and other assets	22	13,053	4,779
Total non-current assets		1,103,856	1,101,028
Current assets			
Inventories	23	1,691,535	896,856
Trade and note receivables	24	276,563	109,638
Prepayments, other receivables and other assets	22	1,682,266	2,167,632
Financial assets at FVTPL	21	100,202	—
Term deposits	25.1	8,153,603	2,000,741
Restricted cash	25.2	27,174	9,043
Cash and cash equivalents	25.3	6,216,909	8,372,098
Total current assets		18,148,252	13,556,008
Total assets		19,252,108	14,657,036
Equity			
Share capital	26	9	7
Reserves		10,678,060	2,243,678
Retained profits/(accumulated losses)		531,230	(1,756,694)
Total equity		11,209,299	486,991

Consolidated Statement of Financial Position (Continued)

	Notes	As of December 31,	
		2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities	18	4,558	1,039
Deferred tax liabilities	11	5,016	6,685
Total non-current liabilities		9,574	7,724
Current liabilities			
Trade payables	29	6,476,783	5,109,000
Contract liabilities	6	233,903	238,343
Accrued expenses and other payables	30	1,155,304	1,008,876
Lease liabilities	18	2,953	1,119
Income tax payables		164,292	141,230
Convertible preferred shares	31	—	7,663,753
Total current liabilities		8,033,235	14,162,321
Total liabilities		8,042,809	14,170,045
Total equity and liabilities		19,252,108	14,657,036

The consolidated financial statements on pages 85 to 166 were approved and authorized for issue by the board of directors on March 5, 2026 and are signed on its behalf by:

Mr. Chunzheng Song

Director

Mr. Richard Qiangdong Liu

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital RMB'000	Share premium RMB'000	Contribution reserve RMB'000	Other reserves ¹ RMB'000	(Accumulated losses)/ retained profits RMB'000	Total RMB'000
As of January 1, 2024		7	1,188,431	550,828	385,606	(2,467,362)	(342,490)
Profit for the year		—	—	—	—	761,608	761,608
Other comprehensive loss for the year		—	—	—	(51,526)	—	(51,526)
Total comprehensive (loss)/income for the year		—	—	—	(51,526)	761,608	710,082
Share-based payment expenses and surplus of tax effects	27	—	—	—	127,285	—	127,285
Repurchase of exercisable share options		—	—	—	(7,886)	—	(7,886)
Appropriations to statutory reserves		—	—	—	50,940	(50,940)	—
As of December 31, 2024		7	1,188,431	550,828	504,419	(1,756,694)	486,991
Profit for the year		—	—	—	—	2,313,723	2,313,723
Other comprehensive loss for the year		—	—	—	(11,724)	—	(11,724)
Total comprehensive (loss)/income for the year		—	—	—	(11,724)	2,313,723	2,301,999
Issuance of ordinary shares relating to initial public offering, net of issuance costs	26	—*	2,656,151	—	—	—	2,656,151
Conversion of convertible preferred shares to ordinary shares upon the initial public offering	31	2	5,632,816	—	—	—	5,632,818
Share-based payment expenses and surplus of tax effects	27	—	—	—	143,489	—	143,489
Repurchase of exercisable share options		—	—	—	(12,149)	—	(12,149)
Appropriations to statutory reserves		—	—	—	25,799	(25,799)	—
As of December 31, 2025		9	9,477,398	550,828	649,834	531,230	11,209,299

* Less than RMB1,000.

1 Other reserves primarily consist of share-based payment reserve from the deemed contribution of JD.com, Inc. and granting of share awards under the Company's share award scheme, exchange differences on foreign currency translation recognized in other comprehensive income/(loss) and statutory reserves required by relevant laws of the People's Republic of China (the "PRC") applicable to the Company's PRC subsidiaries and consolidated affiliated entities.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Cash generated from operations	35(a)	2,206,132	1,352,283
Income tax paid		(163,881)	(116,828)
Interest paid		(187,733)	(242,791)
Interest received		234,903	303,740
Net cash generated from operating activities		2,089,421	1,296,404
Investing activities			
Placement of restricted cash		(18,131)	(12,000)
Withdrawal of restricted cash		—	17,312
Purchases of term deposits		(16,156,160)	(4,000,000)
Maturity of term deposits		9,941,800	5,562,200
Purchases of financial assets at FVTPL		(5,050,000)	—
Proceeds from disposal of financial assets at FVTPL		4,960,601	—
Purchases of property and equipment		(8,697)	(6,361)
Net cash (used in)/generated from investing activities		(6,330,587)	1,561,151
Financing activities			
Net proceeds from issuance of ordinary shares		2,652,194	—
Payments to holders of Series B Preference Shares		(503,141)	—
Principal portion of lease payments		(2,815)	(8,053)
Interest paid		(144)	(215)
Payments for issuance costs		(4,591)	(1,194)
Payments for repurchase of exercisable share options		(9,187)	(6,643)
Net cash generated from/(used in) financing activities		2,132,316	(16,105)
Net (decrease)/increase in cash and cash equivalents		(2,108,850)	2,841,450
Cash and cash equivalents at the beginning of the year		8,372,098	5,488,742
Effects of foreign exchange rate changes on cash and cash equivalents		(46,339)	41,906
Cash and cash equivalents at the end of the year		6,216,909	8,372,098

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

JINGDONG Industrials, Inc. (the “Company”) was incorporated in the Cayman Islands in November 2019 as an exempted company registered under the laws of the Cayman Islands. The addresses of the registered office and principal place of business of the Company are stated in the section “Corporate Information” of this annual report.

The Company acts as an investment holding company, and its subsidiaries and consolidated affiliated entities (collectively the “Group”) are dedicated to operating an e-commerce platform for industrial products and providing digital procurement services. The Group’s principal operations and geographic markets are in the PRC.

JD Industrial Technology Limited is the immediate parent company of the Company and owned by JD.com, Inc., which is the Company’s ultimate parent company. JD.com, Inc., its subsidiaries and consolidated affiliated entities, excluding the Group, are collectively referred to as “JD Group”.

The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on December 11, 2025 (the “Listing”).

Contractual Arrangements

In May 2020 and March 2023, to comply with the relevant laws and regulations in the PRC which prohibit or restrict foreign ownership of the companies where the PRC operating licenses are required, Suqian JINGDONG Baoying Information Technology Co., Ltd. (“Suqian JINGDONG Baoying”) , incorporated in the PRC as a wholly foreign-owned subsidiary ultimately owned by the Company, entered into a series of contractual arrangements (collectively, the “Contractual Arrangements”) with Jiangsu Jucheng Space Technology Co., Ltd. (“Jiangsu Jucheng Space”) and its nominee shareholders (the “Nominee Shareholders”), including loan agreement, exclusive option agreement, share pledge agreement, shareholders’ rights entrustment agreement and powers of attorney, and exclusive business cooperation agreement. These Contractual Arrangements can be extended at Suqian JINGDONG Baoying’s options prior to the expiration date.

The Contractual Arrangements enable Suqian JINGDONG Baoying to control Jiangsu Jucheng Space by:

- Irrevocably exercising equity holders’ voting rights of Jiangsu Jucheng Space;
- Exercising effective financial and operational control over Jiangsu Jucheng Space;
- Receiving substantially all of the economic interest returns generated by Jiangsu Jucheng Space in consideration for the technology consulting and services provided by Suqian JINGDONG Baoying. Suqian JINGDONG Baoying has obligation to grant interest-free loans to the relevant Nominee Shareholders of Jiangsu Jucheng Space with the sole purpose of providing funds necessary for the capital contribution to Jiangsu Jucheng Space;

Notes to the Consolidated Financial Statements (Continued)

1. General information (Continued)

Contractual Arrangements (Continued)

- Obtaining an irrevocable and exclusive right which Suqian JINGDONG Baoying may exercise at any time to purchase all or part of the equity interests in Jiangsu Jucheng Space from the Nominee Shareholders at a minimum purchase price permitted under the PRC laws and regulations; and
- Obtaining a pledge over the entire equity interests of Jiangsu Jucheng Space from its Nominee Shareholders as collateral security for all of Jiangsu Jucheng Space's payments due to Suqian JINGDONG Baoying and to secure performance of Jiangsu Jucheng Space's obligation under the Contractual Arrangements.

Total assets of the Group's consolidated affiliated entities were RMB324,058,000 as of December 31, 2025 (2024: RMB314,736,000), and these balances have been reflected in the Group's consolidated financial statements with intercompany balances among the consolidated affiliated entities, the subsidiaries of the consolidated affiliated entities and other entities within the Group eliminated.

Total revenue of the Group's consolidated affiliated entities was RMB1,796,953,000 for the year ended December 31, 2025 (2024: RMB1,254,266,000), and these amounts have been reflected in the Group's consolidated financial statements with intercompany transactions among the consolidated affiliated entities, the subsidiaries of the consolidated affiliated entities and other entities within the Group eliminated.

2. Application of new and amendments to IFRS Accounting Standards

2.1 Amendment to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendment to an IFRS Accounting Standard issued by the International Accounting Standards Board ("IASB") for the first time, which is mandatorily effective for the annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendment to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements (Continued)

2. Application of new and amendments to IFRS Accounting Standards (Continued)

2.2 New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Standards/Amendments	Contents	Effective for annual periods beginning on or after
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

2. Application of new and amendments to IFRS Accounting Standards (Continued)

2.2 New and amendments to IFRS Accounting Standards in issue but not yet effective (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements (Continued)

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements. The Group currently presents interest received in operating activities, and it will be classified in the investing activities on the consolidated statement of cash flows.

3. Basis of preparation of consolidated financial statements and material accounting policy information

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including affiliated entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.1 Basis of consolidation (Continued)

- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

Notes to the Consolidated Financial Statements (Continued)

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.3 Revenue from contracts with customers

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

The Group engages primarily in the sale of industrial products sourced from manufacturers, resellers and distributors in the PRC, offers an online marketplace that enables third-party merchants to sell their products to customers, and provides technology and other services to its customers. Customers place orders for those products or services online primarily through the Group's platform, JD Group's mobile apps and www.jd.com website. Payment for the purchased products or services is generally made either before delivery or after delivery.

The Group evaluates whether it is appropriate to record the gross amounts of product sales or services provided and related costs, or the net amount earned as commissions. When the Group is a principal, that the Group obtains control of the specified goods or services before they are transferred to the customers, the revenue should be recognized in the gross amount of consideration to which it expects to be entitled in exchange for the specified goods or services transferred. When the Group is an agent and its obligation is to facilitate third parties in fulfilling their performance obligation for specified goods or services, in which case the Group does not control the specified goods or services provided by third parties before those goods or services are transferred to the customer, the revenue should be recognized in the net amount for the amount of commission which the Group earns in exchange for arranging for the specified goods or services to be provided by other parties.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.3 Revenue from contracts with customers (Continued)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price (“SSP”) basis. The SSP of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If an SSP is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognize revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depicts the Group’s performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration such as right of return, the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Sale with a right of return

For a sale of products with a right of return for dissimilar products, the Group recognizes all of the following:

- (1) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognized for the products expected to be returned);
- (2) a refund liability; and
- (3) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.3 Revenue from contracts with customers (Continued)

Product Revenue

The Group primarily sells industrial products through its platform. The Group recognizes the product revenue from the online direct sales on a gross basis as the Group is acting as a principal in these transactions and is responsible for fulfilling the promise to provide the specified goods. Product revenue is recognized when the products are delivered and title is passed to customers, net of discounts and return allowances.

Service Revenue

The service revenue primarily consists of commission fees charged to third-party merchants for participating in the online marketplace mainly through the Group's platform, JD Group's mobile apps and www.jd.com website. The Group generally is acting as an agent and its performance obligation is to arrange for the provision of the specified goods or services by those third-party merchants. Upon successful sales, the Group charges the third-party merchants a fixed rate commission fee based on the sales amount, net of discounts and return allowances. Commission fee revenue is recognized on a net basis at the point of delivery of products by the third-party merchants.

The Group provides online marketing services to advertisers including third-party merchants and suppliers on its platform and JD Group's various website channels and third-party marketing affiliates' websites, including but not limited to advertising placements such as banners, links, logos and buttons, and pay for performance marketing services on which third-party merchants and suppliers are charged based on display per thousand impressions or per effective click on their products or service listings. The Group recognizes revenue from pay for performance marketing services at point of time when each effective click is generated. The Group recognizes revenue from advertising placements ratably over time as the customer simultaneously receives and consumes the benefits throughout the period during which the advertising services are provided or on the number of times that the advertisement has been displayed based on cost per thousand impressions.

The Group provides technology and other services to customers. The Group recognizes revenue overtime during the service period or at the point of service transferred to customers. Revenue from such services is recognized on a gross basis when the Group has the ability to determine the pricing and nature of the services and is responsible for the services provided as the Group is acting as a principal and obtains control of the specified services before they are transferred to the customers. Revenue is recognized on a net basis when the Group charges commissions from such services as the Group is acting as an agent.

The Group also renders platform services through its platform to the platform merchants, such as order management, client management, and other merchants operational and maintenance supports. The platform usage fee collected from platform merchants shall be recognized as revenue over the service period as the platform merchants simultaneously receive the relevant services throughout the period.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.4 Cost of revenue

Cost of revenue consists primarily of purchase price of products, inbound shipping charges and write-downs of inventories. Shipping charges to receive products from the suppliers are included in inventories and recognized as cost of revenue upon sale of the products to the customers.

The Group periodically receives considerations from certain vendors, representing rebates for products sold and subsidies for the sales of the vendors' products over a period of time. The rebates are not sufficiently separable from the Group's purchase of the vendors' products and they do not represent a reimbursement of costs incurred by the Group to sell vendors' products. The Group accounts for the rebates received from its vendors as a reduction to the prices it pays for the products purchased and therefore the Group records such amounts as a reduction of cost of revenue when recognized in the consolidated statement of profit or loss.

3.5 Fulfillment expenses

Fulfillment expenses consist primarily of (i) expenses incurred in the Group's procurement operations, including personnel cost and miscellaneous expenses, (ii) expenses charged by JD Group for warehousing and logistic services, payment services and customer services, and (iii) lease expenses of physical stores.

3.6 Selling and marketing expenses

Selling and marketing expenses consist primarily of (i) expenses of promotion and advertising, including online advertising, offline television, movie and outdoor advertising, and incentive programs to attract or retain consumers for the Group's online marketplace, and (ii) expenses of technology and traffic support services provided by JD Group.

3.7 Research and development expenses

Research expenditures are recognized as an expense as incurred. Costs incurred on development projects are capitalized as intangible assets when recognition criteria are met, including (a) it is technically feasible to complete the software so that it will be available for use; (b) management intends to complete the software and use or sell it; (c) there is an ability to use or sell the software; (d) it can be demonstrated how the software will generate probable future economic benefits; (e) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and (f) the expenditure attributable to the software during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred. There were no development costs meeting these criteria and capitalized as intangible assets as of December 31, 2025 (2024: nil).

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.8 Foreign currency translation

The Group's presentation currency is RMB, which is different from the Company's functional currency of USD. The management adopted RMB as the presentation currency as the management controls and maintains the performance and financial position of the Group based on RMB. The functional currency of the Company is USD as its key activities and transactions are denominated in USD. The functional currency of the Group's subsidiaries incorporated in Cayman Islands, British Virgin Islands ("BVI") and Hong Kong is USD. The Group's PRC subsidiaries and consolidated affiliated entities determined their functional currency to be RMB. Exchange differences relating to the retranslation of the Group's net assets in functional currencies to the Group's presentation currency (i.e. RMB) are recognized directly in other comprehensive income and accumulated in other reserves. Such exchange differences accumulated in the other reserves (other than those from foreign operations translation) are not reclassified to profit or loss subsequently.

3.9 Employee benefits

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick and maternity leave are not recognized until the time of leave.

Pension obligations and other social welfare benefits

Full time employees of the Group in the PRC participate in government mandated defined contribution plans, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries, including consolidated affiliated entities of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.9 Employee benefits (Continued)

Bonus plan

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonuses as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are expected to be settled within one year and are measured at the amounts expected to be paid when they are settled.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave) after deducting any amount already paid.

3.10 Share-based payments

Share-based awards to the Group's employees and non-employees are granted under share incentive plans of JD Group (the "JD Group Share Incentive Plan"). The consolidated financial statements include allocation of the expenses recorded at JD Group based on the Group's employees and non-employees participating under JD Group Share Incentive Plan. JD Group grants its service-based RSUs to the Group's eligible employees and non-employees which are treated as deemed contribution from JD Group and recorded in other reserves.

Since 2021, the Group has launched the Pre-IPO ESOP, Post-IPO First Share Scheme and Post-IPO Second Share Scheme (collectively the "JD Industrials Share Incentive Plan"), under which the Group receives services from employees and non-employees as consideration for share options and RSUs of the Company. The fair value of the services received in exchange for the grant of share options and RSUs is recognized as expenses in the consolidated statement of profit or loss.

Equity-settled share-based payments transactions

RSUs/share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed using graded vesting method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (other reserves). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves. For RSUs/share options that vest immediately at the date of grant, the fair value of the RSUs/share options granted is expensed immediately to profit or loss.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.10 Share-based payments (Continued)

Equity-settled share-based payments transactions (Continued)

RSUs/share options granted to employees (Continued)

Under JD Industrials Share Incentive Plan, when share options are exercised and the shares are issued, the amount previously recognized in other reserves will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in other reserves will continue to be held in other reserves. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates.

Under JD Industrials Share Incentive Plan, when RSUs granted are vested and the shares are issued, the amount previously recognized in other reserves will be transferred to share premium.

RSUs/share options granted to non-employees

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the services. The fair values of the goods or services received are recognized as expenses (unless the goods or services qualify for recognition as assets).

3.11 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized directly in equity, in which case, the current and deferred tax are also recognized directly in equity, respectively.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.12 Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.13 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on the weighted average method. Net realizable value represents the estimated selling price for inventories less all costs necessary to make the sale.

The Group takes ownership, risks and rewards of the products purchased, but has arrangements to return unsold goods with certain vendors. Write downs are recorded in cost of revenue in the consolidated statement of profit or loss.

3.14 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade and note receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.14 Financial instruments (Continued)

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(a) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.14 Financial instruments (Continued)

(a) Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in "other gains".

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including term deposits, trade and note receivables, other receivables, restricted cash, cash and cash equivalents), which are subject to impairment under IFRS 9 *Financial Instruments*. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant assets. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade and note receivables.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.14 Financial instruments (Continued)

(a) Financial assets (Continued)

Impairment of financial assets (Continued)

For all other assets, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.14 Financial instruments (Continued)

(a) Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (1) significant financial difficulty of the issuer or the borrower;
- (2) a breach of contract, such as a default or past due event;

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.14 Financial instruments (Continued)

(a) Financial assets (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

- (3) the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider; or
- (4) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade and note receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Nature of financial instruments;
- Past-due status;

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.14 Financial instruments (Continued)

(a) Financial assets (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the directors of the Company to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and note receivables and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.14 Financial instruments (Continued)

(b) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at amortized cost

Financial liabilities including trade payables and other payables are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(c) Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortized cost or fair value as appropriate.

3. Basis of preparation of consolidated financial statements and material accounting policy information (Continued)

3.14 Financial instruments (Continued)

(c) Derivative financial instruments (Continued)

Embedded derivatives (Continued)

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

(d) Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(e) Convertible preferred shares

Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares issued by the Company are convertible at the option of the holders of Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares or automatically converted under certain events. Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares are not redeemable, but the Company is required to pay dividends to the holders of Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares up to the purchase price of each series of the convertible preferred shares when certain conditions are met. The details of these convertible preferred shares are set out in Note 31.

The convertible preferred shares are initially recognized at fair value. The Group does not account for the embedded derivatives separately from the host contract and designates the entire convertible preferred shares as financial liabilities at FVTPL with fair value change recognized in "fair value changes of convertible preferred shares" in profit or loss. Any directly attributable transaction costs are recognized as finance costs in profit or loss.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Consolidation of affiliated entities

The Group obtained control over a PRC domestic company, Jiangsu Jucheng Space, by entering into the Contractual Arrangements with the PRC domestic company and its respective Nominee Shareholders. Nevertheless, the Contractual Arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the PRC domestic company and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the PRC domestic company. The directors of the Company, based on the advice of its legal counsel, consider that the Contractual Arrangements among Suqian JINGDONG Baoying, Jiangsu Jucheng Space and its respective Nominee Shareholders are in compliance with the relevant PRC Laws and are legally enforceable.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of inventories

Adjustments are recorded to write down the cost of inventory to the estimated net realizable value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as historical and forecasted consumer demand, and promotional environment.

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Rebates and subsidies

Rebates are earned upon reaching minimum purchase thresholds for a specified period. When volume rebates can be reasonably estimated based on the Group's past experiences and current forecasts, a portion of the rebates is recognized as the Group makes progress towards the purchase threshold. Subsidies are calculated based on the volume of products sold through the Group and are recorded as a reduction of cost of revenue when the sales have been completed and the amount is determinable.

Estimation of the fair value of preferred shares investments in unlisted entities

Fair value of preferred shares investments in unlisted entities, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations were based on certain assumptions about expected volatility, discount for lack of marketability ("DLOM") and risk-free rate associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in Note 34.

5. Segment information

The Group's chief operating decision maker, who has been identified as the Chief Executive Officer ("CEO"), reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and no other discrete financial information is provided to the CEO. Hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As the Group's non-current assets are all located in the PRC and most of the Group's revenue are derived from the PRC, no geographical information is presented. During the year ended December 31, 2025, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

6. Revenue

(a) Disaggregation of revenue from contracts with customers:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Types of goods or services:		
Sales of products	22,492,796	19,169,998
Marketplace, advertising and other services	1,458,993	1,227,743
Total	23,951,789	20,397,741
Timing of revenue recognition:		
A point in time	23,848,087	20,310,828
Over time	103,702	86,913
Total	23,951,789	20,397,741

The Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts of the Group are within one year or less.

(b) Contract liabilities

The Group collected payments in advance from customers primarily for sales of industrial related products and marketplace service fees. The Group has recognized the following liabilities related to contracts with customers under “contract liabilities”:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Contract liabilities	233,903	238,343

As of January 1, 2024, contract liabilities amounted to RMB228 million.

The directors of the Company expect that majority of the contract liabilities as of December 31, 2025 will be recognized as revenue within one year.

Notes to the Consolidated Financial Statements (Continued)

6. Revenue (Continued)

(c) Revenue recognized in relation to contract liabilities

The following table shows the amount of the revenue recognized during the year relates to carried-forward contract liabilities:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Contract liabilities	207,901	183,086

7. Other income and gains/(losses), net

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Government grants	91,776	84,799
Fair value changes of equity investments in unlisted entities measured as financial assets at FVTPL (Note 34.4)	(27,751)	(159,300)
Others	128,680	49,274
Total	192,705	(25,227)

The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives, to reward the Group's support and contribution for the development of local economies. There were no unfulfilled conditions or contingencies relating to these government grants at the end of each reporting period.

8. Finance income

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Interest income from term deposits and bank balances	265,403	293,277

Notes to the Consolidated Financial Statements (Continued)

9. Finance costs

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Factoring expense to Jingdong Technology Holding Co., Ltd. and its subsidiaries ("JD Technology") (Note 32)	203,715	192,967
Interest expense on lease liabilities	144	215
Total	203,859	193,182

10. Impairment losses (including reversals of impairment losses) on financial assets

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Impairment losses (including reversals of impairment) on:		
— trade receivables	807	3,778
— other receivables	656	—
Total	1,463	3,778

Details of impairment assessment are set out in Note 34.2.

11. Income tax expense

Income tax

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gains. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

BVI

Under the current laws of the BVI, entities incorporated in the BVI are not subject to tax on their income or capital gains.

11. Income tax expense (Continued)

Income tax (Continued)

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HKD2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HKD2 million.

Chinese mainland

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

The Group's subsidiaries operating in the PRC are eligible for certain tax concessions. Under the EIT Law effective on January 1, 2008, the "high and new technology enterprise" (the "HNTE") status is valid for three years and qualifying entities can re-apply for an additional three years provided their business operations continue to qualify for the HNTE status. Certain enterprises of the Group are qualified as HNTE during the years ended December 31, 2025 and 2024, and accordingly is subject to a preferential income tax rate of 15%.

Certain enterprises of the Group will benefit from a preferential tax rate of 15% under the EIT Law if they are located in applicable PRC regions as specified in the Catalog of Encouraged Industries in Western Regions (initially effective through the end of 2010 and further extended to 2030), or the Western Regions Catalog, subject to certain general restrictions described in the EIT Law and the related regulations.

The State Taxation Administration of the PRC announced in September 2022 and March 2023 that enterprises engaging in research and development activities would be entitled to claim 200% of their research and development expenses as deduction ("Super Deduction") since October 1, 2022.

11. Income tax expense (Continued)

Income tax (Continued)

Withholding tax on undistributed dividends

The EIT Law also imposes a withholding income tax of 10% on dividends distributed by a foreign investment enterprise (“FIE”) to its immediate holding company outside of Chinese mainland, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within Chinese mainland or if the received dividends have no connection with the establishment or place of such immediate holding company within Chinese mainland, unless such immediate holding company’s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. According to the arrangement between Chinese mainland and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by an FIE in Chinese mainland to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% of the shares of the FIE). The Company has not declared or paid, or planned to declare, any dividend to its shareholders from the profits generated. Therefore, the Company has not recorded any withholding tax on any profits generated by subsidiaries located in Chinese mainland.

Global Anti-base Erosion Rules (“Pillar Two Rules”)

Certain jurisdictions in which the Group operates have implemented the Pillar Two Rules. The Company took measures to assess its exposure to Pillar Two minimum taxation and no material top-up taxes arose for the year ended December 31, 2025. The Group is continuing to assess the impact of the Pillar Two Rules on its future financial performance.

The income tax expense of the Group is analyzed as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Current tax	177,799	177,997
Deferred tax	(26,233)	(57,002)
Total	151,566	120,995

Notes to the Consolidated Financial Statements (Continued)

11. Income tax expense (Continued)

Income tax (Continued)

The income tax expense for the year can be reconciled to the profit before income tax per the consolidated statement of profit or loss as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Profit before income tax	2,465,289	882,603
Tax calculated at PRC statutory income tax rate of 25%	616,323	220,651
Tax effects of:		
— Expenses that are not deductible in determining taxable profit	1,181	2,117
— Super Deduction for research and development expenses and others	(15,391)	(17,050)
— Utilization of tax losses/deductible temporary differences previously not recognized	(22,340)	(15,685)
— Different tax rates available to different jurisdictions	3,649	335
— Tax effect of tax-exempt entities	(389,199)	(41,490)
— Preferential income tax rates applicable to subsidiaries and consolidated affiliated entities	(58,915)	(39,793)
— Tax losses/deductible temporary differences not recognized, net of recognition of deferred income tax assets previously unrecognized	16,258	11,910
Total income tax expense	151,566	120,995

Deferred tax

The following is the analysis of the deferred tax balances for financial reporting purposes:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Deferred tax assets	106,102	84,112
Deferred tax liabilities	(5,016)	(6,685)
	101,086	77,427

Notes to the Consolidated Financial Statements (Continued)

11. Income tax expense (Continued)

Deferred tax (Continued)

The following is the deferred tax assets and liabilities recognized and movements thereon during the year:

	Other intangible assets acquired in business combinations RMB'000	Share-based payments RMB'000	Tax losses RMB'000	Total RMB'000
As of January 1, 2024	(8,354)	26,735	—	18,381
Credit to profit or loss	1,669	32,489	22,844	57,002
Credit to other reserves	—	2,044	—	2,044
As of December 31, 2024	(6,685)	61,268	22,844	77,427
Credit to profit or loss	1,669	10,220	14,344	26,233
Charge to other reserves	—	(2,574)	—	(2,574)
As of December 31, 2025	(5,016)	68,914	37,188	101,086

As of December 31, 2025, the Group had unused tax losses of RMB21,881,000 (2024: RMB308,094,000) primarily arising from the Company's subsidiaries and consolidated affiliated entities established in the PRC, which can be carried forward to offset future taxable income and will expire during the year from 2026 to 2030 (December 31, 2024: the period from 2025 to 2029), except for those arose from HNTE, which will expire during the year from 2026 to 2035 (December 31, 2024: the period from 2025 to 2034). The Group also had deductible temporary differences of RMB344,516,000 from certain subsidiaries. Due to the unpredictability of future profit streams, no deferred tax assets had been recognized for these unused tax losses and deductible temporary differences.

Notes to the Consolidated Financial Statements (Continued)

12. Profit before income tax

Profit before income tax has been arrived at after charging:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Cost of inventories sold	19,697,029	17,012,040
Expenses of logistics and warehousing services	937,054	526,223
Expenses of technology and traffic support services allocated/charged by JD Group	494,505	485,614
Expenses of payment services	59,477	74,744
Promotion and advertising expenses	119,932	110,238
Employee benefit expenses (Note 13)	1,378,205	1,010,127
Depreciation of property and equipment and right-of-use assets and amortization of intangible assets	17,629	16,298
Auditor's remuneration	1,840	349
Listing expenses	48,414	7,167

13. Employee benefit expenses

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Salaries and bonuses	991,274	706,599
Share-based payment expenses (Note 27)	146,063	125,241
Welfare, medical, other benefits and pension cost	240,868	178,287
Total	1,378,205	1,010,127

The employee benefit expenses include the remuneration of directors and the CEO during the years ended December 31, 2025 and 2024.

Notes to the Consolidated Financial Statements (Continued)

14. Directors' and the CEO's emoluments

Directors' and the CEO's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

(a) The remuneration of directors and the CEO is set out below:

Names	For the year ended December 31, 2025					
	Salaries and other emoluments RMB'000	Bonuses RMB'000	Share-based Compensation expenses RMB'000	Pension costs — defined contribution plans RMB'000	Welfare, medical and other benefits RMB'000	Total RMB'000
Executive director and CEO:						
Chunzheng Song	1,603	384	4,404	85	204	6,680
Non-executive directors:						
Bingdong Xu	—	—	—	—	—	—
Richard Qiangdong Liu	—	—	—	—	—	—
Independent non-executive directors:						
Hanhui Sam Sun ¹	19	—	—	—	—	19
Xin Tang ¹	19	—	—	—	—	19
Po Fong Nancy Ku ¹	19	—	—	—	—	19
	1,660	384	4,404	85	204	6,737

Notes to the Consolidated Financial Statements (Continued)

14. Directors' and the CEO's emoluments (Continued)

(a) The remuneration of directors and the CEO is set out below: (Continued)

For the year ended December 31, 2024						
Names	Salaries and other emoluments RMB'000	Bonuses RMB'000	Share-based Compensation expenses RMB'000	Pension costs — defined contribution plans RMB'000	Welfare, medical and other benefits RMB'000	Total RMB'000
Executive director and CEO:						
Chunzheng Song	1,586	656	10,031	83	186	12,542
Non-executive directors:						
Bingdong Xu	—	—	—	—	—	—
Richard Qiangdong Liu	—	—	—	—	—	—
	1,586	656	10,031	83	186	12,542

Notes:

1. Appointed as independent non-executive directors since December 11, 2025.

The emolument of the executive director and CEO disclosed above was mainly for his management service rendered to the Company and the Group. The non-executive directors and independent non-executive directors' remunerations disclosed above were mainly for their services as directors of the Company.

14. Directors' and the CEO's emoluments (Continued)

(b) Benefits and interests of directors

Except for the amounts disclosed above, there is no other benefit offered to the directors and the CEO.

(c) Directors' termination benefits

No director's termination benefit subsisted at the end of the year or at any time during the year ended December 31, 2025 (2024: nil).

(d) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available director's services subsisted at the end of the year or at any time during the year ended December 31, 2025 (2024: nil).

(e) Information about loans, quasi-loans and other dealings in favor of directors, their controlled bodies corporate and connected entities

Saved as disclosed in the Contractual Arrangement, there are no loans, quasi-loans and other dealings in favor of directors, their controlled bodies corporate and connected entities subsisted at the end of the period or at any time during the year ended December 31, 2025 (2024: nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended December 31, 2025 and 2024 save as disclosed in Note 32.

(g) Inducement to join the Group and compensation for loss of office

No emolument was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended December 31, 2025 (2024: nil).

(h) Waiver of emoluments

There was no arrangement under which a director or the CEO waived or agreed to waive any remuneration during the year ended December 31, 2025 (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

15. Five highest paid employees

The five highest paid employees include one director for the year ended December 31, 2025 (2024: one director), whose remuneration is set out in Note 14 during the year. The emoluments payable to the remaining four individuals for the year ended December 31, 2025 (2024: four individuals), who are neither a director nor the CEO of the Company, during the year, were as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	5,864	4,085
Bonuses	2,427	1,891
Share-based payment expenses	18,292	13,924
Pension costs-defined contribution plans	262	194
Welfare, medical and other benefits	481	656
Total	27,326	20,750

The number of the highest paid employees whose emoluments fell within the following bands:

	Number of individuals Year ended December 31,	
	2025 No. of employees	2024 No. of employees
Emolument bands (in HKD)		
HKD4,500,001 to HKD5,000,000	—	2
HKD5,000,001 to HKD5,500,000	1	—
HKD5,500,001 to HKD6,000,000	—	1
HKD7,500,001 to HKD8,000,000	2	1
HKD9,000,001 to HKD9,500,000	1	—
Total	4	4

During the year ended December 31, 2025, no emoluments were paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for the loss of office (2024: nil). None of the five highest paid employees waived or agreed to waive any emoluments during the year ended December 31, 2025 (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

16. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Numerator:		
Profit for the year for the purpose of basic earnings per share	2,313,723	761,608
Adjustments to the effect of fair value changes of convertible preferred shares	(1,399,996)	47,607
Profit for the year for the purpose of diluted earnings per share	913,727	809,215

	Year ended December 31,	
	2025 No. of shares	2024 No. of shares
Denominator:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,074,141,655	2,036,693,980
Add: effect of dilutive potential ordinary share:		
options granted	29,715,291	22,319,420
weighted average number of convertible preferred shares	405,727,449	429,247,881
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,509,584,395	2,488,261,281
Basic earnings per share (RMB per share)	1.12	0.37
Diluted earnings per share (RMB per share)	0.36	0.33

Notes to the Consolidated Financial Statements (Continued)

17. Property and equipment

	Electronic equipment RMB'000	Others RMB'000	Total RMB'000
Cost			
As of January 1, 2024	13,159	5,948	19,107
Additions	5,426	1,400	6,826
Disposals	(3,094)	(291)	(3,385)
As of December 31, 2024	15,491	7,057	22,548
Additions	9,944	2,740	12,684
Disposals	(6,021)	(1,286)	(7,307)
As of December 31, 2025	19,414	8,511	27,925
Depreciation			
As of January 1, 2024	9,148	4,268	13,416
Provided for the year	2,365	1,597	3,962
Disposals	(2,674)	(291)	(2,965)
As of December 31, 2024	8,839	5,574	14,413
Provided for the year	4,818	857	5,675
Disposals	(3,859)	(7)	(3,866)
As of December 31, 2025	9,798	6,424	16,222
Carrying values			
As of December 31, 2024	6,652	1,483	8,135
As of December 31, 2025	9,616	2,087	11,703

The above items of property and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Electronic equipment	20% to 33.33%
Others	20% or over the shorter of the expected life of leasehold improvements or the lease term

Notes to the Consolidated Financial Statements (Continued)

18. Leases

The Group leases certain of its offices under operating lease arrangements, which are negotiated for terms ranging from 1 to 5 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	2025	2024
	RMB'000	RMB'000
Carrying amount at the beginning of the year	4,934	7,586
Additions	8,567	2,455
Depreciation charge	(4,641)	(5,107)
Carrying amount at the end of the year	8,860	4,934

(b) Lease liabilities

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
— within one year	2,953	1,119
— Within a period of more than one year but not exceeding two years	2,907	610
— Within a period of more than two years but not exceeding five years	1,651	429
	7,511	2,158
Less: Amount due for settlement within 12 months shown under current liabilities	(2,953)	(1,119)
Amount due for settlement after 12 months shown under non-current liabilities	4,558	1,039

The lease liabilities were measured at the present value of the lease payments that are not yet paid using incremental borrowing rates. The weighted average discount rate applied by the Group was 2.55% per annum as of December 31, 2025 (2024: 2.72% per annum).

19. Goodwill

	Acquisition of Suzhou JINGDONG Gongpinhui Information Technology Co., Ltd. ("Suzhou Gongpinhui") RMB'000	Other acquisition RMB'000	Total RMB'000
Cost and carrying value As of January 1, 2024, December 31, 2024 and 2025	396,174	21,660	417,834

For the purpose of impairment tests of goodwill, goodwill is allocated to an individual cash-generating unit (or group of cash-generating units). Such cash-generating units represent the lowest level within the Group for which the goodwill is monitored for internal management purpose.

Impairment test of goodwill from Suzhou Gongpinhui and other acquisition

In April 2020, the Group completed the acquisition of Suzhou Gongpinhui and recognized goodwill amounting to RMB396,174,000. In 2021, the other acquisition represents acquisition of a subsidiary engaged in technology service. For the purpose of impairment tests of goodwill, goodwill from acquisition of Suzhou Gongpinhui and the other acquisition have been allocated to the whole Group which was identified as an individual cash generating unit.

As of December 31, 2025, the recoverable amount of the cash-generating unit containing goodwill is determined based on fair value less costs of disposal. As the Company is listed on the Hong Kong Stock Exchange on December 11, 2025, the evaluation of fair value of the cash-generating unit is determined based on the latest market price of shares of the Company. The Group considered no impairment loss should be recognized since the recoverable amount was significantly above the carrying amount of the cash-generating unit.

As of December 31, 2024, the recoverable amount of the cash-generating unit containing goodwill is determined based on value-in-use calculations by using the discounted cash flow method, based on 5-year period financial projections, plus a terminal value related to cash flows beyond the projection period extrapolated at an estimated terminal growth rate of 2.5% for the year ended December 31, 2024, considered China's GDP growth rate and inflation rate base in the prior years. Pre-tax discount rate of 19%, for the year ended December 31, 2024, was used to reflect market assessment of time value and the specific risks relating to the cash-generating unit. The management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of market developments.

Notes to the Consolidated Financial Statements (Continued)

19. Goodwill (Continued)

Impairment test of goodwill from Suzhou Gongpinhui and other acquisition (Continued)

The key assumptions used in the value-in-use calculation for the cash-generating unit are as follows:

	As of December 31, 2024
Compound annual growth rate of revenue for the 5-year period	18%
Terminal growth rate	2.5%
Pre-tax discount rate	19%

Based on the goodwill impairment test, the headroom for the cash-generating unit amounted to RMB38,330 million, which are significantly above its carrying amount as at December 31, 2024. Therefore, no impairment has been recognized for the goodwill related to Suzhou Gongpinhui and other acquisition for the year ended December 31, 2024, as the recoverable amount was above the carrying amount. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

20. Other intangible assets

	Trademarks RMB'000	Others RMB'000	Total RMB'000
Cost			
As of January 1, 2024 and December 31, 2024	58,717	3,614	62,331
Additions	—	134	134
As of December 31, 2025	58,717	3,748	62,465
Amortization			
As of January 1, 2024	24,697	2,725	27,422
Charge for the year	6,759	470	7,229
As of December 31, 2024	31,456	3,195	34,651
Charge for the year	6,760	553	7,313
As of December 31, 2025	38,216	3,748	41,964
Carrying values			
As of December 31, 2024	27,261	419	27,680
As of December 31, 2025	20,501	—	20,501

The above intangible assets have finite useful lives. Such intangible assets are amortized on a straight-line basis over the following periods:

Categories	Estimated useful life (years)
Trademarks	5~10
Others	3~5

Notes to the Consolidated Financial Statements (Continued)

21. Financial assets at FVTPL

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Non-current:		
Preferred shares investments in unlisted entities	525,803	553,554
Current:		
Wealth management product	100,202	—
	626,005	553,554

Preferred shares investments in unlisted entities

These investments are convertible redeemable preferred shares or ordinary shares with preferential rights. The Group has the right to require and demand the investees to redeem all of the shares held by the Group at predetermined fixed amount upon redemption events which are out of control of issuers. Hence, these investments are accounted for as debt instruments and are measured at financial assets at FVTPL. The major assumptions used in the valuation for investment in these unlisted entities are set out in Note 34.4.

Wealth management product

Wealth management product measured as financial asset at FVTPL was purchased by the Group, which was issued by major and reputable commercial banks without guaranteed returns and with maturity within twelve months. The expected rates of return for such wealth management product held by the Group as of December 31, 2025 was 1.4% per annum (2024: nil). The Group managed and evaluated the performance of investments on a fair value basis in accordance with the Group's risk management and investment strategy. The major assumptions used in the valuation for wealth management product at FVTPL are set out in Note 34.4.

Notes to the Consolidated Financial Statements (Continued)

22. Prepayments, other receivables and other assets

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Current:		
Amounts due from related parties (Note 32)	1,593,679	2,104,239
Estimated return of products sold	39,629	36,445
Advance to suppliers	15,276	4,894
Recoverable value-added tax	12,682	4,804
Prepaid expense	755	539
Deferred share issuance cost	—	5,917
Others	20,901	10,794
	1,682,922	2,167,632
Less: allowance for credit losses	(656)	—
	1,682,266	2,167,632
Non-current:		
Refundable deposits	13,053	4,779
	13,053	4,779

23. Inventories

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Products	1,633,521	832,629
Others	71,384	72,415
Less: impairment provision	(13,370)	(8,188)
	1,691,535	896,856

Notes to the Consolidated Financial Statements (Continued)

24. Trade and note receivables

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Trade receivables from third parties	146,534	42,726
Less: allowance for credit losses	(6,098)	(8,667)
	140,436	34,059
Note receivables	136,127	75,579
	276,563	109,638

As of January 1, 2024, the carrying amounts of trade and note receivables from contracts with customers amounted to RMB73,025,000.

The Group's trading terms with some of its customers are on credit. The Group primarily allows a credit period of 30–180 days. Trade receivables are settled in accordance with the terms of the respective contracts. Aging analysis of trade receivables from third parties based on invoice date is as follows:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Within 3 months	134,421	32,622
3 to 6 months	6,256	996
6 to 12 months	2,382	4,063
Over 12 months	3,475	5,045
	146,534	42,726
Less: allowance for credit losses	(6,098)	(8,667)
	140,436	34,059

Notes to the Consolidated Financial Statements (Continued)

24. Trade and note receivables (Continued)

The Group held note receivables and continued to recognize their full carrying amounts at the end of each reporting period. All notes received by the Group are with a maturity period of less than one year.

As of December 31, 2025, included in the Group's trade receivables balance were debtors with aggregate carrying amount of RMB9 million (2024: RMB5 million), which were past due but not credit-impaired as of reporting date, as the Group is satisfied with the subsequent settlements and the credit quality of these customers had not seen deteriorated. The Group did not hold any collateral over these balances.

25. Cash and bank balances

25.1 Term deposits

Term deposits are bank deposits redeemable on maturity, with maturities between three months and one year. The weighted-average interest rate of the term deposits was 3.60% per annum as of December 31, 2025 (2024: 1.49%).

25.2 Restricted cash

Restricted cash represents deposits held in designated bank accounts. The Group held restricted cash of RMB27 million as of December 31, 2025 (2024: RMB9 million).

25.3 Cash and cash equivalents

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short term cash commitments.

Notes to the Consolidated Financial Statements (Continued)

26. Share capital

Authorized

	Number of ordinary shares	Nominal value of ordinary shares USD	Number of preference shares	Nominal value of preference shares USD
As of January 1, 2024 and December 31, 2024	99,534,092,335	49,766	465,907,665	234
Conversion of convertible preferred shares	446,585,488	224	(446,585,488)	(224)
Reclassification and re-designation of the Series B Preference Shares but not issued	19,322,177	10	(19,322,177)	(10)
As of December 31, 2025	100,000,000,000	50,000	—	—

Issued and fully paid

	Number of ordinary shares	Nominal value of ordinary shares USD	Nominal value of ordinary shares RMB'000
As of January 1, 2024 and December 31, 2024	2,036,693,980	1,018	7
Conversion of convertible preferred shares to ordinary shares upon the initial public offering (Note 31)	439,667,451	220	2
Issuance of ordinary shares relating to initial public offering	211,208,800	106	—*
As of December 31, 2025	2,687,570,231	1,344	9

* Less than RMB1,000

In December 2025, upon completion of the Listing, the Company issued 211,208,800 ordinary shares at par value of USD0.0000005 per share for cash consideration of HKD14.1 per share (exclusive of brokerage, SFC transaction levy and stock exchange trading fee). The Company raised gross proceeds of approximately HKD2,978 million (equivalent to RMB2,706 million), whereas the respective share capital amount was approximately RMB746 and share premium was approximately RMB2,706 million. The share issuance costs amounting to approximately RMB50 million were treated as a deduction against the share premium arising from the issuance, mainly including share underwriting commissions, lawyers' fees, reporting accountants' fee and other related costs, which are incremental costs directly attributable to the issuance of the new shares. The listing expenses amounted to RMB48 million were charged to the consolidated statement of profit or loss for the year ended December 31, 2025.

Notes to the Consolidated Financial Statements (Continued)

27. Share-based payments

Certain employees and non-employees of the Group are eligible for the JD Group Share Incentive Plan and JD Industrials Share Incentive Plan, which includes share options and RSUs.

Share-based payments of RMB146 million in aggregate has been recognized during the year ended December 31, 2025 (2024: RMB125 million), with expenses for share options of RMB183 million (2024: RMB165 million) and the remaining for RSUs.

27.1 JD Group Share Incentive Plan

JD Group grants its service-based share options and RSUs to the Group's eligible employees and non-employees, which are treated as deemed contribution from JD Group and recorded in "other reserves".

Under the JD Group Share Incentive Plan, the RSUs are mainly service-based and scheduled to be vested over four or six years.

The Group recognizes share-based payment expenses in its consolidated statement of profit or loss, net of estimated forfeitures, over a vesting term for service-based awards. Forfeitures are estimated based on historical experiences at the time of grant and revised in the subsequent periods if actual forfeitures differ from those estimates.

27. Share-based payments (Continued)**27.1 JD Group Share Incentive Plan (Continued)****RSUs**

A summary of activities of the service-based RSUs is presented as follows:

	Number of RSUs	Weighted-average grant-date fair value USD
Unvested as of January 1, 2024	698,772	25.94
Granted	138,136	14.02
Vested	(247,110)	24.83
Transferred*	11,242	22.25
Forfeited or canceled	(257,656)	28.89
Unvested as of December 31, 2024	343,384	23.31
Granted	74,740	17.59
Vested	(197,830)	25.46
Transferred*	265,474	20.34
Forfeited or canceled	(189,946)	21.75
Unvested as of December 31, 2025	295,822	18.77

* The transfer represents the net of addition or deduction of RSUs that were previously granted to employees who transferred into or out of the Group.

The estimated compensation cost of RSUs was based on the fair value of JD.com, Inc.'s ordinary shares on the date of the grant.

Notes to the Consolidated Financial Statements (Continued)

27. Share-based payments (Continued)

27.2 JD Industrials Share Incentive Plan

The Group grants share-based awards to eligible employees and non-employees pursuant to JD Industrials Share Incentive Plan, which governs the terms of the awards. The Company adopted the JD Industrials Share Incentive Plan since 2021, to attract and retain the best available personnel, provide additional incentives to employees and non-employees and promote the success of the Group. Under the JD Industrials Share Incentive Plan, the share options are generally service-based and are vested in tranches over prescribed vesting periods, typically spanning four years from the vesting commencement date.

As of December 31, 2025, the Group had reserved 60,022,502 ordinary shares (2024: 64,151,302 ordinary shares), available to be granted as share-based awards under the JD Industrials Share Incentive Plan.

Share options

A summary of activities of the service-based share options is presented as follows:

	Number of share options	Weighted average exercise price USD	Weighted average remaining contractual term Year
Outstanding as of January 1, 2024	28,138,576	0.0000005	9.25
Granted	20,209,266	0.0000005	
Repurchased	(900,703)	0.0000005	
Forfeited or canceled	(7,579,246)	0.0000005	
Outstanding as of December 31, 2024	39,867,893	0.0000005	8.72
Granted	14,201,056	0.0000005	
Repurchased	(1,387,623)	0.0000005	
Forfeited or canceled	(8,684,633)	0.0000005	
Outstanding as of December 31, 2025	43,996,693	0.0000005	8.06

The number of exercisable share options as of December 31, 2025 was 17,298,143 (2024: 10,519,522).

27. Share-based payments (Continued)**27.2 JD Industrials Share Incentive Plan (Continued)****Share options (Continued)**

Valuation techniques are certified by independent and recognized international business valuers before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. The estimated fair value of each option grant is estimated on the date of grant using the binomial option-pricing model with the following assumptions:

	Year ended December 31	
	2025	2024
Expected volatility	39.5% to 44.3%	38.4% to 43.5%
Risk-free interest rate (per annum)	4.1% to 4.6%	3.7% to 4.5%
Expected dividend yield	—	—
Expected term (in years)	10	10
Fair value of the underlying shares on the date of option grants (USD)	2.05 to 2.35	2.24 to 2.28

The volatility factor estimated was based on the historical share price movement of the comparable companies for the period of time close to the expected time to exercise. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

Notes to the Consolidated Financial Statements (Continued)

28. Dividends

No dividends had been paid or declared by the Company or its subsidiaries or its consolidated affiliated entities for the year ended December 31, 2025 (2024: nil).

29. Trade Payables

Trade payables primarily consist of payables to suppliers.

The credit period of trade payables is mainly ranging from 30 to 90 days. An aging analysis of the trade payables based on the invoice date is as follows:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Within 3 months	5,897,948	4,873,192
3 to 6 months	457,406	183,537
6 to 12 months	94,063	36,437
Over 12 months	27,366	15,834
Total	6,476,783	5,109,000

Notes to the Consolidated Financial Statements (Continued)

30. Accrued expenses and other payables

Accrued expenses and other payables consist of the following:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Deposits received*	558,312	518,744
Salary and welfare payables	340,015	228,105
Other tax payables	123,354	112,133
Advances from customers	32,254	55,743
Liabilities for return allowances	41,935	38,264
Listing expenses and issuance costs payables	18,401	33,679
Others	41,033	22,208
Total	1,155,304	1,008,876

* Mainly represents the deposits received from third-party merchants from the online marketplace business.

31. Convertible preferred shares

Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares

In April 2020, the Company entered into Series A Share Subscription Agreement with a group of third-party investors. The Company issued 230,000,000 Series A Preference Shares at USD1.00 per share for a total cash proceeds of USD230 million, representing 10.71% of the ownership of the Company on a fully diluted basis. The Series A Preference Shares are convertible at the option of the holders of Series A Preference Shares or automatically converted under certain events.

In December 2020, the Company entered into definitive agreements for the Series A-1 Preference Shares (the "Series A-1 Preference Shares") with a group of third-party investors. The Company issued 99,434,534 Series A-1 Preference Shares at USD1.06 per share for a total cash proceeds of approximately USD105 million, representing 4.43% of the ownership of the Company on a fully diluted basis. The Series A-1 Preference Shares are convertible at the option of the holders of Series A-1 Preference Shares or automatically converted under certain events.

In March 2023, the Company entered into Series B Share Subscription Agreement with a group of third-party investors. The Company issued 81,153,148 Series B Preference Shares at USD2.59 per share for a total cash proceed of approximately USD210 million, representing 3.13% of the ownership of the Company on a fully diluted basis. The Series B Preference Shares are convertible at the option of the holders of Series B Preference Shares or automatically converted under certain events. On the same day, 34,779,921 Series A-1 Preference Shares held by A-1 Preference Shares holders were redesignated as Series B Preference Shares and sold to Series B Preference Shares holders.

31. Convertible preferred shares (Continued)

Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares (Continued)

The rights, preferences and privileges of Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares are as follows:

Dividend Rights

For each of the first five twelve-month periods after the applicable issuance date of a Series A Preference Share, Series A-1 Preference Share and Series B Preference Share, the Company shall reserve and accrue dividends for such Series A Preference Share, Series A-1 Preference Share and Series B Preference Share at an annual simple rate of the Series A purchase price, the Series A-1 purchase price and the Series B purchase price, respectively. Dividends shall only be payable to the Series A Preference Shares investors, Series A-1 Preference Shares investors and Series B Preference Shares investors in cash on a pro rata basis for each of convertible preferred shares held by them if a qualified IPO has not occurred by the fifth anniversary of the closing date of Series B Preference Share until the date of the earlier of (i) the qualified IPO and (ii) all the dividends that have been accrued for such share have reached the Series A purchase price, the Series A-1 purchase price and the Series B purchase price. However, if the qualified IPO occurs by the end of the fiscal year during which the seventh anniversary of the closing date occurs, each Series A Preference Shares investors, Series A-1 Preference Shares investors and Series B Preference Shares investors shall duly, unconditionally and fully pay the Company an amount in cash equal to the total amount of all the dividends that the Company has paid to such preference shares investors before the consummation of the qualified IPO and any and all dividends that have been accrued or declared but have not been paid prior to the qualified IPO shall be automatically and immediately canceled and terminated, and the Company will have no obligation to pay any of such dividends.

Voting Rights

Each of convertible preferred shares shall carry such number of votes as is equal to the number of votes of ordinary shares then issuable upon the conversion of such convertible preferred shares. The holders of the Series A Preference Shares, Series A-1 Preference Shares, Series B Preference Shares and the holders of ordinary shares shall vote together and not as a separate class.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, all assets and funds of the Company legally available for distribution to the holders (after satisfaction of all creditors' claims and claims that may be preferred by law) shall be distributed to the holders of the Company as follows:

The Series A Preference Shares investors, Series A-1 Preference Shares investors and Series B Preference Shares investors shall be entitled to receive the amount equal to one hundred percent of the applicable purchase price of such convertible preferred shares minus all declared and paid dividends on such convertible preferred shares.

31. Convertible preferred shares (Continued)

Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares (Continued)

Conversion Rights

Each of the convertible preferred shares shall be convertible, at the option of the holders of the convertible preferred shares, at any time after the date of issuance of such convertible preferred shares, into such number of fully paid and non-assessable ordinary shares as is determined by dividing the convertible preferred shares purchase price by the conversion price then applicable to such convertible preferred shares (“Conversion Price”). The Conversion Price of each of convertible preferred shares is the same as its original issuance price if no adjustments to Conversion Price have occurred. The Conversion Price is subject to adjustments when any equity securities of the Company are issued at a price per share lower than the purchase price of convertible preferred shares. Each of the convertible preferred shares shall automatically be converted into ordinary shares at the Conversion Price then applicable to such convertible preferred shares, respectively, (i) upon the consummation of an IPO; or (ii) with respect to the Series A Preference Shares, in the event that Series A Preference Shares investors holding at least 75% of the Series A Preference Shares in issue elect to convert the Series A Preference Shares, or (iii) with respect to the Series A-1 Preference Shares, in the event that Series A-1 Preference Shares investors holding at least 50% of the Series A-1 Preference Shares in issue elect to convert the Series A-1 Preference Shares, or (iv) with respect to Series B Preference Shares, in the event that Series B Preference Shares holders holding at least 50% of the Series B Preference Shares in issue elect to convert the Series B Preference Shares.

Conversion Adjustment Mechanism

In the event that the offering price per share of the Qualified IPO is less than the Series B Conversion Price then in effect, the Series B Conversion Price immediately prior to the Qualified IPO shall be reduced to such offering price with respect to the qualified Series B Shares as described in the Shareholders Agreement, unless as otherwise agreed by holders of at least 50% of the qualified Series B Preference Shares.

All Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares were converted into ordinary shares upon completion of the Listing on December 11, 2025. The offering price of HKD14.1 was used to determine the underlying value of the Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares as of December 11, 2025. The Company and the relevant holders of Series B Preference Shares have agreed that the Conversion Adjustment Mechanism will be implemented by the Company through the conversion adjustment which involves issuing additional ordinary shares at nil consideration and a maximum aggregate payment of approximately HKD731 million in cash to the holders of Series B Preference Shares upon conversion of Series B Preference Shares. As the result of the Listing, the additional ordinary shares issued was 10,419,570 shares and the cash payment made was RMB503,141,000 pursuant to the conversion adjustment mentioned above.

Notes to the Consolidated Financial Statements (Continued)

31. Convertible preferred shares (Continued)

Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares (Continued)

Conversion Adjustment Mechanism (Continued)

Since the date of incorporation, the Company has completed several rounds of financing by issuing convertible preferred shares. The movements in the convertible preferred shares issued by the Company during the reporting periods are set out as below:

	RMB'000
As of January 1, 2024	7,503,898
Change in fair value of convertible preferred shares	47,607
Currency translation differences	112,248
As of December 31, 2024	7,663,753
Change in fair value of convertible preferred shares	(1,399,996)
Conversion of convertible preferred shares to ordinary shares	(5,632,818)
Payments to holders of Series B Preference Shares	(503,141)
Currency translation differences	(127,798)
As of December 31, 2025	—

As of December 31, 2024, the Group applied the discount cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of convertible preferred shares as at December 31, 2024.

Key assumptions are set as below:

	As of December 31, 2024
Discount rate	16%
Risk-free interest rate	5.07%
DL0M	9%
Volatility	40%

31. Convertible preferred shares (Continued)

Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares (Continued)

Conversion Adjustment Mechanism (Continued)

Discount rate was estimated by weighted average cost of capital as of each valuation date. The Group estimated the risk-free interest rate based on the yield of government bond with maturity matching the time to expiration as of the valuation date plus country risk spread. The DLOM was estimated based on the option-pricing method. Under the option pricing method, the cost of put option, which can hedge the price change before the private held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualized standard deviation of daily stock price return of comparable companies for the period before respective valuation date and with similar span as time to expiration. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of convertible preferred shares on each valuation date.

32. Related party transactions

The following significant transactions are carried out between the Group and its related parties during the years ended December 31, 2025 and 2024. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/ or balances with the Group during the years ended December 31, 2025 and 2024.

Name of related parties	Relationships
JD Group	Controlled by JD.com, Inc.
JD Technology	An associate of JD Group, and controlled by Mr. Richard Qiangdong Liu

(b) Significant transactions with related parties

Since June 10, 2020, the terms and pricing policies of transactions entered into by JD Group for the Group or between JD Group and the Group were established and the terms were stipulated in the Series A Share Subscription Agreements. Upon the Listing, the majority of the transactions between JD Group and the Group are continuing connected transactions and recognized based on the terms stipulated in continuing connected transactions arrangements, which were entered by the Group on November 28, 2025.

Notes to the Consolidated Financial Statements (Continued)

32. Related party transactions (Continued)

(b) Significant transactions with related parties (Continued)

Details of these transactions recorded with abovementioned terms and pricing policies during the years ended December 31, 2025 and 2024 are separately shown as follows:

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Services and products provided to related parties:			
Marketing services provided to JD Group		751,141	585,956
Technology services provided to JD Group		3,915	6,263
Services provided to JD Technology		527	2,564
Products provided to JD Group		90,812	30,706
Services and products received from related parties:			
Logistics and warehousing services received from JD Group	(i)	937,054	522,929
Technology and traffic support services received from JD Group	(ii)	494,505	485,614
Marketing services received from JD Group	(iii)	32,782	32,977
Payment services received from JD Group	(iv)	58,895	73,989
Other services and share-based payments received from JD Group	(v)	120,030	88,683
Loyalty program services received from JD Group	(vi)	5,949	10,448
Other services received from JD Technology	(vii)	35,985	36,181
Factoring services received from JD Technology	(viii)	203,715	192,967
Products received from JD Group	(ix)	6,639	642

Services and products provided to related parties

The Group provides marketing services to JD Group. The Group charges JD Group marketing service fees calculated in accordance with the arrangement of continuing connected transactions. The Group also supply industrial products to JD Group for its own use.

Services and products received from related parties

- (i) JD Group provides various logistics services to the Group in exchange for service fees, including but not limited to warehouse operation and storage services, domestic and international delivery services, customs registration and clearance services, standard and special packaging services and other value-added logistics services from time to time. The logistics service fees are determined after arm's length negotiations and are charged based on a variety of factors including storage space taken and the weights and the delivery distances of the packages.

32. Related party transactions (Continued)

(b) Significant transactions with related parties (Continued)

Services and products received from related parties (Continued)

- (ii) JD Group provides to the Group technology and traffic support services through its online platforms (e.g. www.jd.com). The technology and traffic support services primarily include user traffic support, branding activities, operational support and advertisement access for the Group's merchants and suppliers. JD Group charges commissions by applying a fixed rate on the fulfilled order volume of industrial related products and services generated through JD Group's online platforms.
- (iii) The Group obtains advertising resources and/or platform from JD Group on behalf of advertisers, and JD Group charges the Group marketing service fees calculated in accordance with the underlying standard marketing service agreements.
- (iv) The Group, through JD Group, uses certain payment services through payment channels provided by third-party payment service providers to JD Group on a cost basis, as the related costs are first settled by JD Group and later settled in full (on a cost basis) by the Group. This allows the Group to utilize the payment services to enable efficient, safe and prompt real-time payment for its online transactions.
- (v) JD Group provides back-office administrative support services to the Group, including but not limited to cloud service, provision of servers, and maintenance and related customer services. The Group pays JD Group the actual costs incurred during the service process. JD Group grants RSUs and share options to the Group's eligible employees and non-employees under JD Group Share Incentive Plan.
- (vi) Given that the Group's businesses are operated on JD Group's platforms, the customers of the Group participate in the customer loyalty programs of JD Group and use such loyalty points across the platforms of both JD Group and the Group for the purchase of products and services. The Group pays JD Group based on the number of loyalty points it granted and unit cost.
- (vii) The Group uses certain payment services and other shared services provided by JD Technology in accordance with the underlying standard payment services agreement and shared services agreement.
- (viii) JD Technology provides factoring services by purchasing trade receivables from the Group to enable the Group to receive early payments and deploy the capital elsewhere. JD Technology charges a service fee for the purchase of the trade receivables of the Group. The service fee is determined with reference to the amount of receivables and the creditworthiness of the relevant customer.
- (ix) The Group procures certain non-industrial products from JD Group on normal commercial terms and then sell such non-industrial products to the Group's customers.

Notes to the Consolidated Financial Statements (Continued)

32. Related party transactions (Continued)

(c) The Group had the following balances with the major related parties:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Amounts due from JD Group	1,587,051	2,097,782
Amounts due from JD Technology	6,628	6,457
Amounts due to JD Technology	55,785	35,734

As of December 31, 2025, amounts due from related parties of RMB1,593,679,000 (2024: RMB2,104,239,000) which were trade in nature, mainly arising from the industrial product sales agency framework agreement under which JD Group acts as a pass-through agent of the Group to facilitate the sale of industrial products to the Group's customers as disclosed in the Company's prospectus dated December 3, 2025. The aging of these balances are within three months.

As of December 31, 2025, amounts due to JD Technology of RMB55,785,000 (2024: RMB35,734,000) were incurred in ordinary course of business, which were unsecured and interest free.

(d) Key management personnel compensation

The remuneration of directors and other key management personnel is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and bonuses	4,881	4,557
Share-based payments	8,505	17,901
Pension costs — defined contribution plans	153	149
Welfare, medical and other benefits	365	334
	13,904	22,941

33. Commitments

The Group had no material capital commitment as of December 31, 2025 and 2024.

Notes to the Consolidated Financial Statements (Continued)

34. Financial instruments

34.1 Financial instruments by categories

	Notes	As of December 31,	
		2025 RMB'000	2024 RMB'000
Financial assets			
Financial assets at fair value:			
Financial assets at FVTPL	21	626,005	553,554
Financial assets at amortized cost		16,280,981	12,600,538
Financial liabilities			
Financial liabilities at fair value:			
Convertible preferred shares	31	—	7,663,753
Financial liabilities at amortized cost		7,126,783	5,741,532

34.2 Financial risk management

The Group's activities expose it to a variety of financial risks, such as market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors of the Company.

The Group's major financial instruments include financial assets at FVTPL, trade and note receivables, other receivables, restricted cash, cash and cash equivalents, term deposits, convertible preferred shares, trade payables and other payables. Details of the financial instruments are disclosed in respective notes. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Foreign exchange risk

The functional currency of the Group's entities incorporated in Cayman Islands, BVI and Hong Kong is USD. The Group's PRC subsidiaries and consolidated affiliated entities determined their functional currency to be RMB. Foreign exchange risk arises when future commercial transactions or recognized financial assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's entities. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

34. Financial instruments (Continued)

34.2 Financial risk management (Continued)

(a) Market risk (Continued)

Foreign exchange risk (Continued)

During the years ended December 31, 2025 and 2024 exchange gains and losses from those foreign currency transactions denominated in a currency other than the functional currency were insignificant. The directors of the Company consider that any reasonable changes in foreign exchange rates of other currencies against the two major functional currencies would not result in a significant change in the Group's results, as the net carrying amounts of financial assets and liabilities denominated in a currency other than the respective subsidiaries' functional currency are considered to be not significant. Accordingly, no sensitivity analysis is presented for foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk.

The Group is exposed to cash flow interest rate risk in relation to cash and cash equivalents, and restricted cash. The Group is also exposed to fair value interest risk in relation to term deposits and lease liabilities.

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year.

If the interest rate had been 50 basis points (2024: 50 basis points) higher/lower and all other variable were held constant, the Group's post-tax profit for the year ended December 31, 2025 would increase/decrease by RMB18 million (2024: increase/decrease by RMB36 million). This is mainly attributable to the Group's exposure to interest rates on floating-rate cash and cash equivalents and restricted cash.

Other price risk

The Group is exposed to equity price risk in respect of its equity investments in a private company measured as financial assets at FVTPL, convertible preferred shares measured as financial liability at FVTPL. The above financial instruments are exposed to price risk because of changes in market prices, where changes are caused by factors specific to the individual financial instruments or their issuers, or factors affecting all similar financial instruments traded in the market. The sensitivity analysis has been disclosed in Note 34.4.

34. Financial instruments (Continued)

34.2 Financial risk management (Continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is mainly associated with cash and cash equivalents, restricted cash, term deposits, trade and note receivables, wealth management product and other receivables. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's cash and cash equivalents, restricted cash, term deposits and wealth management product are mainly deposited in state-owned or reputable financial institutions in Chinese mainland and reputable international financial institutions outside of Chinese mainland. There has been no recent history of default in relation to these financial institutions. The Group considers the instruments have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are insignificant during the years ended December 31, 2025 and 2024. The Group considers that there is no significant credit risk and does not generate any material losses due to the default of the other parties.

In order to minimize credit risk, the Group has tasked its credit management team to develop and maintain the credit risk grading for the Group's trade and note receivables and other receivables to categorize exposures according to their degree of risk of default. The credit management team uses publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Notes to the Consolidated Financial Statements (Continued)

34. Financial instruments (Continued)

34.2 Financial risk management (Continued)

(b) Credit risk (Continued)

The table below sets forth how the Group defines the credit risk grading of its counterparties and its accounting policies for recognition of ECL:

Categories	Group definition of categories	Basis for recognition of ECL	
Performing	Trade receivables and other receivables. The counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Trade receivables Lifetime ECL — not credit-impaired	Other receivables 12m ECL — Where the expected lifetime of an asset is less than 12 months, ECL is measured at its expected lifetime
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECL — not credit-impaired	
In default	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit impaired	
Write-off	There is evidence indicating that debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Asset is written off	

The directors of the Company estimate the amount of lifetime ECL of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering aging, internal credit ratings of trade debtors, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. In addition, trade receivables that are credit-impaired are assessed for ECL individually.

34. Financial instruments (Continued)**34.2 Financial risk management (Continued)****(b) Credit risk (Continued)**

On that basis, the loss allowance was determined as follows for trade receivables:

Provision on collective basis	As of December 31, 2025			
	Within 3 months	3 to 6 months	6 to 12 months	Total
Lifetime ECL rate (not credit-impaired)	0.3%	4.4%	81.0%	
Gross carrying amount (RMB'000)	134,421	6,256	2,382	143,059
Loss allowance (RMB'000)	(420)	(274)	(1,929)	(2,623)

Provision on collective basis	As of December 31, 2024			
	Within 3 months	3 to 6 months	6 to 12 months	Total
Lifetime ECL rate (not credit-impaired)	3.1%	5.7%	62.7%	
Gross carrying amount (RMB'000)	32,622	996	4,063	37,681
Loss allowance (RMB'000)	(1,018)	(57)	(2,547)	(3,622)

The following table shows the movement in lifetime ECL that has been recognized for trade receivables under the simplified approach.

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As of January 1, 2024	2,379	2,510	4,889
Impairment losses (including reversals of impairment losses)	1,243	2,535	3,778
As of December 31, 2024	3,622	5,045	8,667
Impairment losses (including reversals of impairment losses)	(999)	1,806	807
Written off	—	(3,376)	(3,376)
As of December 31, 2025	2,623	3,475	6,098

34. Financial instruments (Continued)

34.2 Financial risk management (Continued)

(b) Credit risk (Continued)

No allowance has been provided for note receivables since the balances are all with the banks which have low credit risks during the year ended December 31, 2025 (2024: nil).

No concentration of credit risk noted on the trade and note receivables of the Group for the year ended December 31, 2025 (2024: nil).

For other receivables, the Group makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records, qualitative information that is reasonable, including but not limited to credit background of the debtors, and forward-looking information. The Group believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. The Group recognized allowance for credit loss for other receivables of RMB656,000 as of December 31, 2025 (2024: nil).

In addition, the management is of the opinion that there has no default occurred for trade receivables past due 90 days or more other than those identified as credit impaired and the balances are still considered fully recoverable due to long-term/on-going relationship and good repayment record from these customers.

(c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Notes to the Consolidated Financial Statements (Continued)

34. Financial instruments (Continued)

34.2 Financial risk management (Continued)

(c) Liquidity risk (Continued)

The following table details remaining contractual maturity of the Group's financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities on the earliest date which the Group can be required to pay. The maturity dates are based on the agreed repayment dates.

	Weighted average interest rate %	Carrying amount RMB'000	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As of December 31, 2025							
Trade payables		6,476,783	6,476,783	—	—	—	6,476,783
Lease liabilities	2.55	7,511	2,993	3,022	1,793	—	7,808
Financial liabilities included in accrued expenses and other payables		650,000	650,000	—	—	—	650,000
		7,134,294	7,129,776	3,022	1,793	—	7,134,591
As of December 31, 2024							
Trade payables		5,109,000	5,109,000	—	—	—	5,109,000
Lease liabilities	2.72	2,158	1,136	698	468	—	2,302
Financial liabilities included in accrued expenses and other payables		630,374	630,374	—	—	—	630,374
Convertible preferred shares		7,663,753	—	—	2,152,379	1,956,318	4,108,697
		13,405,285	5,740,510	698	2,152,847	1,956,318	9,850,373

Details of the description of convertible preferred shares are presented in Note 31.

Notes to the Consolidated Financial Statements (Continued)

34. Financial instruments (Continued)

34.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital (including share capital and reserves) by regularly reviewing the capital structure. As a part of this review, the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends to pay to shareholders, capital to return to shareholders, new shares to issue, shares of the Company to repurchase and debts to raise/repay. In the opinion of the directors of the Company, the Group's capital risk is low.

34.4 Fair value measurement of financial instruments

Determination of fair value and fair value hierarchy

IFRS 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurement for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value.

The level of fair value calculation is determined by the lowest level input that is significant in the overall calculation. As such, the significance of the input should be considered from an overall perspective in the calculation of fair value.

For Level 2 financial instruments, valuations are generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyze and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities.

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determinations to classify fair value measurement within Level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors to the overall fair value measurement.

34. Financial instruments (Continued)**34.4 Fair value measurement of financial instruments (Continued)****Determination of fair value and fair value hierarchy (Continued)**

The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of December 31, 2025				
Asset:				
Financial assets at FVTPL:				
Investments in unlisted entities	—	—	525,803	525,803
Wealth management product	—	100,202	—	100,202
As of December 31, 2024				
Asset:				
Financial assets at FVTPL:				
Investments in unlisted entities	—	—	553,554	553,554
Liability:				
Convertible preferred shares	—	—	7,663,753	7,663,753

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used). The determination of the fair value for convertible preferred shares is set out in Note 31.

Financial asset	Fair value as of December 31,		Fair value hierarchy report	Valuation technique(s) and key input(s)	Significant unobservable inputs
	2025 RMB'000	2024 RMB'000			
Investments in unlisted entities	525,803	553,554	Level 3	Market approach or Income approach	DLOM; market multiples; weighted average cost of capital ("WACC")
Wealth management product	100,202	—	Level 2	Discounted cash flow: Future cash flows are estimated based on estimated return.	Not applicable

Notes to the Consolidated Financial Statements (Continued)

34. Financial instruments (Continued)

34.4 Fair value measurement of financial instruments (Continued)

Determination of fair value and fair value hierarchy (Continued)

The directors of the Company consider that any reasonable changes in the significant unobservable inputs would not result in a significant change in the Group's results. The Group performed sensitivity analysis based on the assumptions that DLOM, market multiples and the WACC has been changed.

An increase in DLOM used in isolation would result in a decrease in the fair value of equity investments, and vice versa. A 5% increase/decrease in DLOM holding all other variables constant would decrease/increase the carrying amount of the equity investments by RMB2,668,000 for the year ended December 31, 2025 (2024: RMB2,742,000).

An increase in WACC used in isolation would result in a decrease in the fair value of equity investments, and vice versa. A 3% increase/decrease in WACC holding all other variables constant would decrease/increase the carrying amount of the equity investments under income approach by RMB7,249,000 for the year ended December 31, 2025 (2024: RMB4,953,000).

An increase in market multiples used in isolation would result in an increase in the fair value of equity investments, and vice versa. A 3% increase/decrease in market multiples holding all other variables constant would increase/decrease the carrying amount of the equity investments under market approach by RMB3,197,000 for the year ended December 31, 2025 (2024: RMB2,707,000).

Fair value of convertible preferred shares was affected by changes in the Company's equity value. If the Company's equity value had increased/decreased by 10% with all other variables held constant, the post-tax profit for the year ended December 31, 2024 would have been approximately RMB727,282,000 lower/higher.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the years ended December 31, 2025 and 2024, there were no transfers among different levels of fair value measurement.

The carrying amount of the Group's financial assets, including cash and cash equivalents, restricted cash, term deposits, trade and note receivables and other receivables and the Group's financial liabilities, including trade payables and accrued expenses and other payables, approximate their fair values.

34. Financial instruments (Continued)**34.4 Fair value measurement of financial instruments (Continued)****Determination of fair value and fair value hierarchy (Continued)**

Reconciliation of Level 3 fair value measurements:

	Financial assets at FVTPL RMB'000	Convertible preferred shares RMB'000
As of January 1, 2024	712,854	7,503,898
Changes in fair value		
— Fair value changes of equity investments in unlisted entities measured as financial assets at FVTPL	(159,300)	—
— Fair value changes of convertible preferred shares	—	47,607
Currency translation differences	—	112,248
As of December 31, 2024	553,554	7,663,753
Changes in fair value		
— Fair value changes of equity investments in unlisted entities measured as financial assets at FVTPL	(27,751)	—
— Fair value changes of convertible preferred shares	—	(1,399,996)
Conversion to ordinary shares	—	(5,632,818)
Payments to the holder of Series B Preference Shares	—	(503,141)
Currency translation differences	—	(127,798)
As of December 31, 2025	525,803	—

Notes to the Consolidated Financial Statements (Continued)

35. Note to consolidated statements of cash flows

(a) Reconciliation of profit for the year to cash generated from operations:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Profit for the year	2,313,723	761,608
Adjustments for:		
Income tax expense	151,566	120,995
Depreciation and amortization	17,629	16,298
Share-based payment expenses	146,063	125,241
Fair value changes of convertible preferred shares	(1,399,996)	47,607
Fair value changes of financial assets as FVTPL	16,947	159,300
Finance income	(265,403)	(293,277)
Finance costs	203,859	193,182
Impairment losses (including reversals of impairment losses) on financial assets	1,463	3,778
Impairment provision for inventories, net of reversal	5,182	4,594
Foreign exchange gains, net	(1,324)	(539)
Changes in working capital:		
Increase in inventories	(799,861)	(390,943)
Increase in trade and note receivables	(164,356)	(40,391)
Decrease/(increase) in prepayments, other receivables and other assets	474,746	(941,088)
Increase in trade payables	1,351,435	1,365,963
(Decrease)/increase in contract liabilities	(4,440)	9,850
Increase in accrued expenses and other payables	158,899	210,105
Cash generated from operations	2,206,132	1,352,283

There were no material non-cash investing and financing activities for the year ended December 31, 2025 (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

35. Note to consolidated statements of cash flows (Continued)

(b) Reconciliation of liabilities arising from financing activities

	Convertible preferred shares RMB'000	Lease liabilities RMB'000	Total RMB'000
At January 1, 2024	7,503,898	8,103	7,512,001
Financing cash flows	—	(8,268)	(8,268)
New leases entered	—	2,108	2,108
Financial costs	—	215	215
Fair value changes of convertible preferred shares	47,607	—	47,607
Currency translation differences	112,248	—	112,248
At December 31, 2024	7,663,753	2,158	7,665,911
Financing cash flows	(503,141)	(2,959)	(506,100)
New leases entered	—	8,168	8,168
Financial costs	—	144	144
Fair value changes of convertible preferred shares	(1,399,996)	—	(1,399,996)
Conversion of convertible preferred shares to ordinary shares	(5,632,818)	—	(5,632,818)
Currency translation differences	(127,798)	—	(127,798)
At December 31, 2025	—	7,511	7,511

Notes to the Consolidated Financial Statements (Continued)

36. Particulars of principal subsidiaries and consolidated affiliated entities

Details of the principal subsidiaries directly and indirectly held by the Company as of each reporting period end are set out below:

Name of subsidiaries ^{*/**}	Place of incorporation/ registration/ operations	Registered capital	Proportion ownership interest attributable to the Company		Principal activities
			December 31, 2025	2024	
Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd.	Chinese mainland	RMB100,000,000	100%	100%	Technical and information services
Suqian JINGDONG Baoying	Chinese mainland	RMB100,000	100%	100%	Online retail of industrial products
Beijing JINGDONG Industrial Products Trading Co., Ltd.	Chinese mainland	RMB100,000,000	100%	100%	Online retail of industrial products
Beijing JINGDONG Digital Intelligence Industrial Technology Co., Ltd.	Chinese mainland	RMB50,000,000	100%	100%	Procurement of industrial products
Shanghai JINGDONG Shangpin Trading Co., Ltd.	Chinese mainland	RMB1,000,000	100%	100%	Online retail of industrial products
Guangxi JINGDONG Yangqi E-Commerce Co., Ltd.	Chinese mainland	RMB100,000	100%	100%	Technical and advertising services
Shenzhen JINGDONG Industrial Digital Intelligence Supply Chain Co., Ltd.	Chinese mainland	RMB10,000,000	100%	100%	Cross-border industrial supply chain technology and services

36. Particulars of principal subsidiaries and consolidated affiliated entities (Continued)

Details of the principal consolidated affiliated entities of the Company as of each reporting period end are set out below:

Name of subsidiaries and affiliated entities ^{*/**}	Place of incorporation/ registration/ operations	Registered capital	Proportion ownership interest attributable to the Company		Principal activities
			December 31, 2025	2024	
Jiangsu Jucheng Space	Chinese mainland	RMB10,000,000	100%	100%	Technical and advertising services
Beijing JINGDONG Boyan Information Technology Co., Ltd.	Chinese mainland	RMB2,000,000	100%	100%	Technical and information services
Suzhou Gongpinhui	Chinese mainland	RMB19,075,445	100%	100%	Industrial products e-commerce marketplace

* As describe in Note 1, the Company does not have directly or indirectly legal ownership in equity of these affiliated entities or their subsidiaries. Nevertheless, under certain Contractual Arrangements entered into with the equity holders of these affiliated entities, the Company and its legal owned subsidiaries have power over these affiliated entities, have rights to variable returns from its involvement with these affiliated entities and have the ability to affect those returns through their power over these affiliated entities and are considered to have control over these affiliated entities. Consequently, the Company regards these affiliated entities as its indirect subsidiaries.

** The English names of the subsidiaries and consolidated affiliated entities established in the PRC are translated from their registered Chinese names for identification only.

The above table lists the subsidiaries and consolidated affiliated entities of the Company that the directors of the Company believe to principally affect the results or assets of the Group. In the opinion of the directors of the Company, to give details of other subsidiaries would, result in particulars of excessive length.

The voting power of the subsidiaries and consolidated affiliated entities held by the Company are same with the ownership interest held by the Company.

None of the subsidiaries and consolidated affiliated entities had issued any debt securities during the year ended December 31, 2025 (2024: nil).

Notes to the Consolidated Financial Statements (Continued)

37. Pension cost

Full time employees of the Group in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees. For the year ended December 31, 2025, pension cost amounted to RMB89.4 million (2024: RMB66.2 million).

38. Contingencies

The Group did not have any material contingent liabilities as of December 31, 2025 (2024: nil).

39. Subsequent events

Subsequent to the reporting period, on January 7, 2026, the over-allotment option has been partially exercised in respect of an aggregate of 3,957,400 shares (the "Over-allotment Shares"). The Company received additional net proceeds of approximately HKD54.7 million (RMB49.2 million) as a result of issuance of Over-allotment Shares. Consequently, the Company increased share capital and share premium in total with amount of RMB49.2 million.

Notes to the Consolidated Financial Statements (Continued)

40. Statements of financial Position and reserve movement of the Company

Statement of financial position of the Company

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Assets		
Non-current asset		
Investments in subsidiaries	507,918	328,318
Total non-current asset	507,918	328,318
Current assets		
Prepayments, other receivables and other assets	746,207	2,865,039
Term deposits	5,654,038	—
Cash and cash equivalents	2,901,361	4,165,539
Total current assets	9,301,606	7,030,578
Total assets	9,809,524	7,358,896
Equity		
Share capital	9	7
Reserves	10,539,127	2,106,239
Accumulated losses	(748,367)	(2,445,199)
Total equity	9,790,769	(338,953)
Liabilities		
Current liabilities		
Convertible preferred shares	—	7,663,753
Accrued expenses and other payables	18,755	34,096
Total current liabilities	18,755	7,697,849
Total liabilities	18,755	7,697,849
Total equity and liabilities	9,809,524	7,358,896

Notes to the Consolidated Financial Statements (Continued)

40. Statements of financial Position and reserve movement of the Company (Continued)

Reserve movement of the Company

	Reserves RMB'000
As of January 1, 2024	1,989,863
Share-based payments expenses	166,532
Repurchase of share options	(7,886)
Currency translation differences	(42,270)
As of December 31, 2024	2,106,239
Issuance of new ordinary shares	2,656,151
Conversion of convertible preferred shares to ordinary shares	5,632,816
Share-based payments expenses	184,005
Repurchase of share options	(12,149)
Currency translation differences	(27,935)
As of December 31, 2025	10,539,127

DEFINITIONS

“ADSs”	American Depositary Shares (each representing two Class A ordinary shares) of JD.com
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Articles” or “Articles of Association”	the articles of association of our Company conditionally adopted on November 27, 2025 with effect from December 11, 2025
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Auditor”	Deloitte Touche Tohmatsu, the auditor of the Company
“Board of Directors” or “Board”	our Board of Directors
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules, as amended from time to time
“China”, or “the PRC”	the People’s Republic of China
“Class A ordinary share(s)”	Class A ordinary shares in the share capital of JD.com with par value of US\$0.00002 each, conferring a holder of a Class A ordinary share to one vote per share on any resolution tabled at JD.com’s general meeting
“Class B ordinary share(s)”	Class B ordinary shares in the share capital of JD.com with par value of US\$0.00002 each, conferring weighted voting rights in JD.com such that a holder of a Class B ordinary share is entitled to 20 votes per share on any resolution tabled at JD.com’s general meeting
“Companies Act”	the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

Definitions (Continued)

“Company”, “our Company”, “the Company”, or “JD Industrials”	JINGDONG Industrials, Inc. (京东工业股份有限公司) (formerly known as JD Industrial Technology Inc.), an exempted company with limited liability incorporated in the Cayman Islands on November 5, 2019
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely the Onshore Holdco and its respective subsidiaries
“Contractual Arrangement(s)”	the Previous Contractual Arrangements and/or the New Contractual Arrangements, as the case may be
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to JD Industrial Technology Limited, JD.com, Mr. Richard Qiangdong Liu (劉強東), Max Smart Limited, Fortune Rising Holdings Limited, Max I&P Limited, Magical Brush Limited and JD Industrial Technology LLC
“Director(s)”	the director(s) of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the Consolidated Affiliated Entities from time to time
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRSs”	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
“Independent Third Party(ies)”	any entity or person who is not a connected person of our Company or an associate of such person within the meaning ascribed to it under the Listing Rules

“JD.com”	JD.com, Inc., one of our Controlling Shareholders, a company incorporated in the BVI on November 6, 2006 and subsequently redomiciled to the Cayman Islands on January 16, 2014 as an exempted company registered by way of continuation under the laws of the Cayman Islands and the shares of which are listed on the Main Board (stock codes: 9618 (HKD counter) and 89618 (RMB counter)) under Chapter 19C of the Listing Rules and the ADSs of which are listed on NASDAQ under the symbol “JD”
“JD Group”	JD.com and its subsidiaries and consolidated affiliated entities, excluding our Group
“JD Health”	JD Health International Inc. (京东健康股份有限公司), an exempted company with limited liability incorporated in the Cayman Islands on November 30, 2018 and the shares of which are listed on the Main Board (stock codes: 6618 (HKD counter) and 86618 (RMB counter))
“JD Logistics”	JD Logistics, Inc. (京东物流股份有限公司), an exempted company with limited liability incorporated in the Cayman Islands on January 19, 2012 and the shares of which are listed on the Main Board (stock code: 2618)
“JD Technology”	Jingdong Technology Holding Co., Ltd. (京东科技控股股份有限公司), and, where the context requires, includes its consolidated subsidiaries from time to time
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	December 11, 2025, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

Definitions (Continued)

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“New Contractual Arrangements”	the series of contractual arrangements entered into by and among WFOE, Onshore Holdco and the New Registered Shareholders
“New Registered Shareholders”	the registered shareholders of the Onshore Holdco, namely Mr. Qin Miao (繆欽), Ms. Tingting Sui (隋婷婷) and Ms. Pang Zhang (張甯)
“Onshore Holdco” or “Jiangsu Jucheng Space”	Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司), a Consolidated Affiliated Entity established under the laws of the PRC on March 29, 2019
“Over-allotment Option”	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators on behalf of the International Underwriters for up to 30 days from the day following the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to 31,681,200 additional Shares (representing in aggregate 15% of the initial Offer Shares) to the International Underwriters to, among other things, cover over-allocations in the International Offering, if any.
“Post-IPO First Share Scheme”	the post-IPO first share scheme conditionally approved and adopted by our Company on November 27, 2025
“Post-IPO Second Share Scheme”	the post-IPO second share scheme conditionally approved and adopted by our Company on November 26, 2025
“PRC Legal Adviser”	Shihui Partners, our legal adviser on PRC law
“Pre-IPO ESOP”	the pre-IPO employee share incentive plan approved and adopted by our Company on December 30, 2021
“Previous Contractual Arrangements”	the series of contractual arrangements entered into by, among others, WFOE, Onshore Holdco and the Previous Registered Shareholders, details of which are described in the section headed “Contractual Arrangements” in the Prospectus

Definitions (Continued)

“Previous Registered Shareholders”	Mr. Qin Miao (繆欽), Ms. Yayun Li (李姪雲) and Ms. Pang Zhang (張雱)
“Prospectus”	the prospectus of the Company dated December 3, 2025
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	year ended December 31, 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with par value of US\$0.0000005 each
“Shareholder(s)”	holder(s) of our Share(s)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Suzhou Gongpinhui”	Suzhou JINGDONG Gongpinhui Information Technology Co., Ltd. (蘇州京東工品匯信息科技有限公司), a company established in the PRC on February 25, 2007
“U.S. SEC”	the Securities and Exchange Commission of the United States
“United States”, “U.S.” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction



Definitions (Continued)

“US dollars”, “U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“WFOE”	Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司), a company established in the PRC on March 19, 2020 and a wholly-owned subsidiary of our Company
“%”	per cent

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