

JINGDONG Industrials, Inc.

京东工业股份有限公司

(incorporated in the Cayman Islands with limited liability)

Global Offering

Stock Code :7618

商品数智化
墨卡托 工鼎

履约数智化
K2系统 B-Promise

采购数智化
灵犀 京东工采

运营数智化

数实结合
太璞

Joint Sponsors, Joint Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

BofA SECURITIES

UBS 瑞銀集團

國泰海通 | 海通國際
GUOTAI HAITONG HAITONG

Goldman Sachs

Joint Overall Coordinator, Joint Global Coordinator, Joint Bookrunner
and Joint Lead Manager

华泰国际
HUATAI INTERNATIONAL

Financial Advisor, Joint Global Coordinator, Joint Bookrunner
and Joint Lead Manager

CITIC SECURITIES

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

ABCI 農銀國際 | 中銀國際 BOCI | 民銀資本 | 富途證券 | 滙豐 HSBC | ICBC 工銀國際 | 東方證券 | 國際

IMPORTANT

If you are in any doubt about any of the contents in this document, you should obtain independent professional advice.

JDi 京东工业
JINGDONG Industrials, Inc.
京东工业股份有限公司
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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 211,208,800 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 21,121,000 Shares (subject to reallocation)
Number of International Offer Shares	: 190,087,800 Shares (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	: HK\$15.50 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars, subject to refund)
Nominal value	: US\$0.0000005 per Share
Stock code	: 7618

Joint Sponsors, Joint Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

BofA Securities

UBS

Haitong International

Goldman Sachs

Joint Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

Financial Adviser, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

Huatai International

CITIC Securities

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

ABCI	BOC International	CMBC Capital	FUTU Securities International	HSBC	ICBCI	Orient Securities (Hong Kong)

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A copy of this document, having attached thereto the documents specified in “Documents delivered to the Registrar of Companies and available on display” in Appendix V, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this document or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, December 9, 2025 and, in any event, not later than 12:00 noon on Tuesday, December 9, 2025. The Offer Price will be no more than HK\$15.50 per Offer Share and is currently expected to be no less than HK\$12.70 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by 12:00 noon on Tuesday, December 9, 2025 between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

The Overall Coordinators may, where considered appropriate and with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this document at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. See “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” for more details.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See “Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination” for more details.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this document, including the risk factors set out in the section headed “Risk Factors.”

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be offered or sold within or to the United States, or for the account or benefit of U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold (i) solely to QIBs pursuant to an exemption from registration under Rule 144A of the U.S. Securities Act and (ii) outside the United States in offshore transactions in accordance with Regulation S.

December 3, 2025

IMPORTANT

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at jingdongindustrials.com. You may download and print from these website addresses if you require a printed copy of this prospectus.

To apply for the Hong Kong Offer Shares, you may:

- (1) apply online via the White Form eIPO service at www.eipo.com.hk; or
- (2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is an HKSCC Participant to submit **electronic application instructions** on your behalf through HKSCC’s FINI system to apply for the Hong Kong Offer Shares.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses stated above.

Please refer to the section headed “How to Apply for Hong Kong Offer Shares” in this document for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be for a minimum of 200 Hong Kong Offer Shares and in one of the numbers set out in the table.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

IMPORTANT

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
200	3,131.26	5,000	78,281.59	80,000	1,252,505.40	2,000,000	31,312,635.00
400	6,262.53	6,000	93,937.90	90,000	1,409,068.58	3,000,000	46,968,952.50
600	9,393.79	7,000	109,594.22	100,000	1,565,631.76	4,000,000	62,625,270.00
800	12,525.05	8,000	125,250.55	200,000	3,131,263.50	5,000,000	78,281,587.50
1,000	15,656.32	9,000	140,906.86	300,000	4,696,895.26	6,000,000	93,937,905.00
1,200	18,787.58	10,000	156,563.18	400,000	6,262,527.00	7,000,000	109,594,222.50
1,400	21,918.85	20,000	313,126.36	500,000	7,828,158.76	8,000,000	125,250,540.00
1,600	25,050.11	30,000	469,689.53	600,000	9,393,790.50	9,000,000	140,906,857.50
1,800	28,181.37	40,000	626,252.70	700,000	10,959,422.26	10,560,400 ⁽¹⁾	165,336,975.33
2,000	31,312.64	50,000	782,815.88	800,000	12,525,054.00		
3,000	46,968.96	60,000	939,379.06	900,000	14,090,685.76		
4,000	62,625.26	70,000	1,095,942.23	1,000,000	15,656,317.50		

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **White Form eIPO** Service Provider (for applications made through the application channel of the **White Form eIPO** Service Provider) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

EXPECTED TIMETABLE

If there is any change in the following expected timetable, we will issue an announcement to be published on the websites of the Company at jingdongindustrials.com and the Hong Kong Stock Exchange at www.hkexnews.hk.

Date⁽¹⁾

Hong Kong Public Offering commences	9:00 a.m. on Wednesday, December 3, 2025
Latest time for completing electronic applications under the White Form eIPO service through the designated website www.eipo.com.hk ⁽²⁾	11:30 a.m. on Monday, December 8, 2025
Application lists open ⁽³⁾	11:45 a.m. on Monday, December 8, 2025
Latest time for (a) completing payment for the White Form eIPO applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving electronic application instructions to HKSCC ⁽⁴⁾	12:00 noon on Monday, December 8, 2025
If you are instructing your broker or custodian who is a HKSCC Participant to submit electronic application instructions on your behalf through HKSCC's FINI system to apply for the Hong Kong Offer Shares, you are advised to contact your broker or custodian for the latest time for giving such instructions which may be different from the latest time as stated above.	
Application lists close ⁽³⁾	12:00 noon on Monday, December 8, 2025
Expected Price Determination Date ⁽⁵⁾	12:00 noon on Tuesday, December 9, 2025
(1) Announcement of the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on our website at jingdongindustrials.com ⁽⁶⁾ and the website of the Hong Kong Stock Exchange at www.hkexnews.hk at or before	11:00 p.m. on Wednesday, December 10, 2025
(2) The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:	
• in the announcement to be published on our website and the website of the Hong Kong Stock Exchange at jingdongindustrials.com ⁽⁶⁾ and www.hkexnews.hk , respectively	by 11:00 p.m. on Wednesday, December 10, 2025
• from the designated results of allocations website at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a "search by ID" function from	11:00 p.m. on Wednesday, December 10, 2025 to 12:00 midnight on Tuesday, December 16, 2025
• from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from	Thursday, December 11, 2025 to Tuesday, December 16, 2025 (except Saturday, Sunday and Hong Kong public holidays)
Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before ⁽⁷⁾⁽⁹⁾	Wednesday, December 10, 2025
White Form e-Refund payment instructions/refund checks in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications to be dispatched on or before ⁽⁸⁾⁽⁹⁾	Thursday, December 11, 2025
Dealings in the Shares on the Hong Kong Stock Exchange expected to commence	at 9:00 a.m. on Thursday, December 11, 2025

EXPECTED TIMETABLE

Notes:

- (1) All dates and times refer to Hong Kong local dates and times, except as otherwise stated.
- (2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website at or before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, December 8, 2025, the application lists will not open or close on that day. See “How to Apply for Hong Kong Offer Shares—E. Severe Weather Arrangements” in this prospectus.
- (4) Applicants who apply for Hong Kong Offer Shares by instructing their **broker** or **custodian** to submit **electronic application instructions** on their behalf through HKSCC’s FINI system in accordance with their instructions should refer to the section headed “How to Apply for Hong Kong Offer Shares—A. Application for Hong Kong Offer Shares—2. Application Channels” in this prospectus.
- (5) The Price Determination Date is expected to be on or around Tuesday, December 9, 2025. If, for any reason, we do not agree with the Overall Coordinators (for themselves and on behalf of the Underwriters) on the pricing of the Offer Shares by 12:00 noon on Tuesday, December 9, 2025, the Global Offering will not proceed and will lapse.
- (6) None of the websites set out in this section or any of the information contained on the websites forms part of this prospectus.
- (7) Share certificates will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination” in this prospectus has not been exercised. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.
- (8) **White Form** e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s identification document number before encashment of the refund check. Inaccurate completion of an applicant’s identification document number may invalidate or delay encashment of the refund check.
- (9) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to the section headed “How to Apply for Hong Kong Offer Shares—D. Despatch/Collection of Share Certificates and Refund of Application Monies” in this prospectus for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **White Form** e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applicants, the first-named applicant) by ordinary post at their own risk.

Any uncollected Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

Further information is set out in the section headed “How to Apply for Hong Kong Offer Shares—D. Despatch/Collection of Share Certificates and Refund of Application Monies” in this prospectus.

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please refer to the sections headed “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in this prospectus, respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, we will make an announcement as soon as practicable thereafter.

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This document is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this document pursuant to the Hong Kong Public Offering. This document may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstance. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this document to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this document. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representations not contained or made in this document must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, any of the Underwriters, any of our or their respective directors, officers, employees, agents or representatives, or any other parties involved in the Global Offering.

	<u>Page</u>
Expected timetable	i
Contents	iii
Summary	1
Definitions	23
Glossary of technical terms	36
Forward-looking statements	38
Risk factors	39
Waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance	90
Information about this document and the Global Offering	99
Directors and parties involved in the Global Offering	103
Corporate information	113
Industry overview	115
History, reorganization and corporate structure	126
Business	147
Contractual arrangements	188
Regulations	202
Relationship with our Controlling Shareholders	226
Connected transactions	242
Directors and senior management	280
Substantial shareholders	287
Cornerstone investors	288

CONTENTS

	<u>Page</u>
Share capital	295
Financial information	298
Future plans and use of proceeds	353
Underwriting	357
Structure of the Global Offering	366
How to apply for Hong Kong Offer Shares	375
Appendix I Accountants' report	I-1
Appendix II Unaudited pro forma financial information	II-1
Appendix III Summary of the constitution of the Company and Cayman Islands company law	III-1
Appendix IV Statutory and general information	IV-1
Appendix V Documents delivered to the Registrar of Companies and available on display	V-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to invest in the Offer Shares.

WHO WE ARE

We are the leading industrial supply chain technology and service provider in China. Through transformative digitalization of the industrial supply chain, we help our customers increase supply chain reliability, reduce costs, enhance efficiency, and ensure compliance.

We offer a wide range of industrial products and digital supply chain services to satisfy diverse customer needs through Taipu (太璞), our digital industrial supply chain total solution that integrates digitalization (數) and products (實). Taipu is built upon our end-to-end supply chain digital infrastructure that covers products, procurement, fulfillment, and operations. We generate revenue primarily from sales of industrial products and provision of related services.

We started our supply chain technology and service business in 2017 focusing on MRO procurement service. Throughout years of development, we have established ourselves as the largest player in the MRO procurement service market in China, ranking No.1 as measured by GMV in 2024, which is nearly three times the size of the next largest player, according to CIC. As we expanded our focus to encompass the broader industrial supply chain market, we have also emerged as the largest service provider in China’s industrial supply chain technology and service sector, with a market share of 4.1%, in terms of GMV in 2024, according to CIC. Our sustained growth in scale is a firm testament to the efficiency of our business model. From 2022 to 2024, our revenue from continuing operations grew from approximately RMB14.1 billion to RMB20.4 billion, representing a CAGR of 20.1%.

We have the broadest customer coverage in China’s industrial supply chain technology and service market in 2024, according to CIC. In the twelve months ended June 30, 2025, we served approximately 11,100 key accounts. For the first half of 2025, our key accounts included around 60% of China’s Fortune 500 companies and over 40% of Global Fortune 500 companies that had operations in China.

We offer an extensive variety of industrial products, standing as the broadest in China in terms of the number of SKUs as of December 31, 2024, according to CIC. As of June 30, 2025, we offered approximately 81.1 million SKUs across 80 product categories. Our product offerings are underpinned by our expansive industrial products sourcing network of approximately 158,000 manufacturers, distributors, and resellers on a nationwide basis for the twelve months ended June 30, 2025.

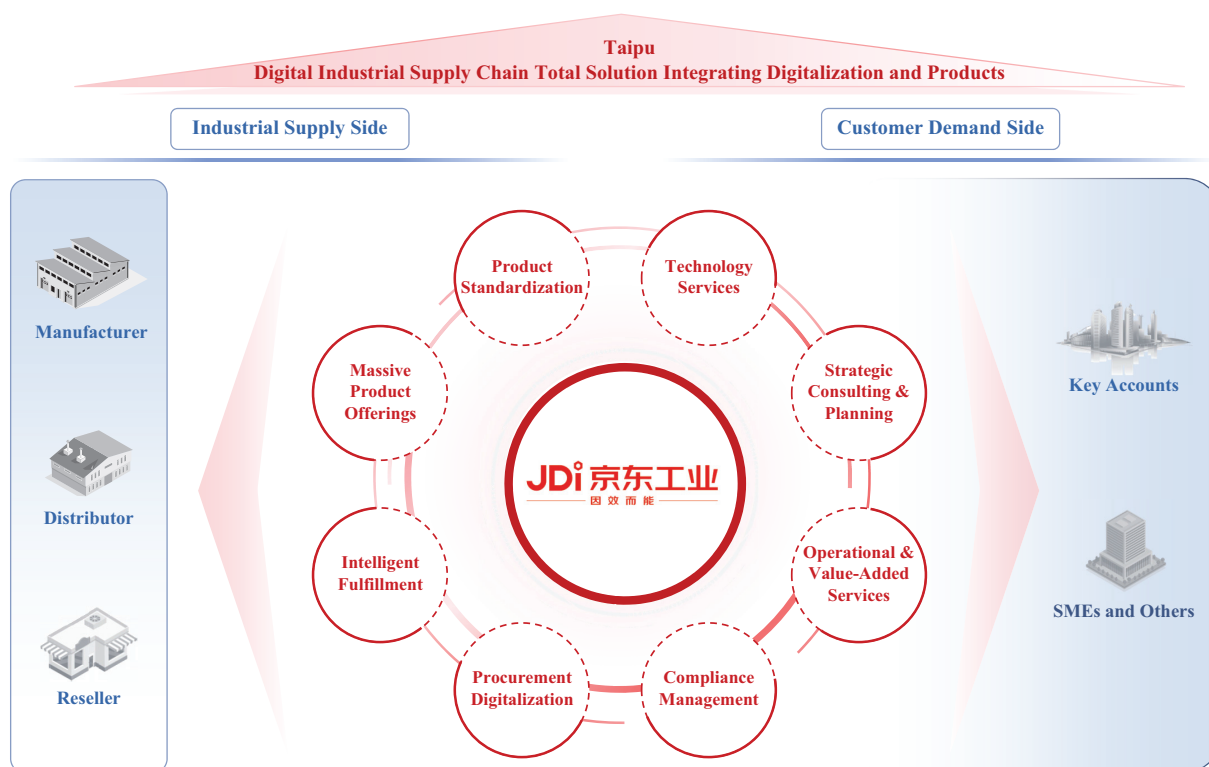
Leadership Position	Scale	Customer	Product & Supply
 No.1 Industrial Supply Chain Technology and Service Provider in China ⁽¹⁾	 ~RMB28.8bn GMV in 2024	 ~11,100 Key Accounts ⁽²⁾	 ~81.1mn SKUs ⁽³⁾
 No.1 MRO Procurement Service Provider in China ⁽¹⁾	 20.1% Revenue CAGR 2022-2024	 ~60% China's Fortune 500 Companies Coverage ⁽⁴⁾	 ~158,000 Manufacturers, Distributors and Resellers Connected with Our Business ⁽²⁾

Notes: (1) In terms of GMV for the year ended December 31, 2024; (2) For the twelve months ended June 30, 2025; (3) As of June 30, 2025; (4) For the six months ended June 30, 2025.

SUMMARY

OUR BUSINESS MODEL

We have established an end-to-end supply chain digital infrastructure and leverage our broad product offerings, superior services, and streamlined operations to address the common fundamental needs of the industry. Built on this digital infrastructure, Taipu is our digital industrial supply chain total solution that integrates digitalization and products. We have adopted an asset-light approach to build our efficient and expansive business and, through Taipu, provide customers of all sizes across various industries with comprehensive categories of industrial products and various technology and service offerings for diverse use cases.



Taipu represents a package of offerings encompassing industrial products and digital supply chain services, including strategic consulting and planning, technology services, and operational and value-added services. Depending on customer needs, we can offer either the full Taipu solution or selected components, such as a combination of product offerings and certain specific services. For details of the offerings under Taipu, including a case study that illustrates the Taipu solution, see “Business—Taipu’s Integration of Digitalization and Products.”

On the industrial supply side, we drive the digital transformation of every aspect of the industrial supply chain from products, procurement, fulfillment to operations, establishing an end-to-end digital infrastructure, which serves as the foundation for Taipu. We standardize and digitalize a large number of parameters and specifications from a diverse array of products, creating a unified and consistent “language system” across the entire industrial supply chain. We provide digital procurement services for key accounts, SMEs, and others, enabling them to procure industrial products conveniently. We leverage intelligent decision-making to optimize fulfillment plans and enable real-time fulfillment assurance for our customers. Our closed-loop digital services cover procurement planning, transaction, and aftersales services, allowing our customers to achieve cost reduction, efficiency enhancement, and procurement transparency simultaneously.

SUMMARY

On the customer demand side, leveraging our end-to-end digital infrastructure, we have extended our services into our customers' internal operations to further empower their digital transformation with top-level strategic planning as well as development of procurement supply chain systems. Through our digital procurement solutions offered under Taipu, including e-commerce solutions, supplier relationship management solutions, and tendering solutions, we help customers navigate different procurement scenarios more effectively. We also provide procurement consulting services and build procurement operation and compliance systems for our customers, helping them manage suppliers efficiently with closed-loop control and mitigate potential risks.

We have created an asset-light model by leveraging the end-to-end digitalization of the industrial supply chain. We aggregate the purchase orders and intelligently source product supplies by digitally connecting and synchronizing inventory available from distributors and resellers and production capacity from manufacturers. Such approach allows a great part of our orders to be delivered directly from the supply end to the demand end. In addition to our in-house operations, our intelligent fulfillment system, fulfillment timeline management system, and logistics platform enable us to leverage third-party logistics capabilities, thereby minimizing our proprietary investment in logistics assets. Our business model coupled with strong technology capabilities enable us to maintain healthy working capital as our business continues to grow.

With our asset-light model, we have developed an expansive business, which enables us to scale rapidly and efficiently. Leveraging our brand name, supply chain capabilities and technology infrastructure, we can efficiently reach, serve and retain customers and capture their incremental wallet share. We have established market leadership in the industrial supply chain technology and service market. We have also successfully expanded our product offerings from general-purpose MRO products to professional MRO products, and are currently penetrating into BOM products. Geographically, we have expanded into selected overseas markets, including Southeast Asia and certain other promising regions, to support the overseas venture of our key accounts.

Our Revenue Model

We generate revenue primarily from sales of products, with the rest of the revenue generated from provision of services, including marketplace and advertising services as well as technology and other services. We monetize Taipu digital industrial supply chain total solution through sales of products and provision of technology and other services.

Revenue Model	Business and Customers
Product Revenue	- Product revenue is generated from our sales of industrial products and recognized when products are delivered and title is passed to customers. The industrial products we sell primarily consist of MRO products and BOM products. Key accounts contributed the majority of our product revenue. We provide designated digital procurement systems to key accounts to access our product offerings through API or cloud-based connections. We also offer mro.jd.com (京東五金城) and vipmro.com (京東工品匯) to SMEs and others for procurement of industrial products. - We purchase a majority of products from our suppliers generally upon receiving orders from customers, and orders are often directly delivered from the supply end to the demand end. In addition, we also maintain our own

SUMMARY

Revenue Model

Business and Customers

inventory to better fulfill our customers' demand. We leverage accurate demand forecasts and advanced fulfillment network to achieve efficient inventory management. Therefore, we can maintain a manageable inventory level and reduce inventory risk.

Service Revenue

- Marketplace service
 - We provide marketplace service, through which third-party merchants on our marketplace sell their products to customers.
 - Marketplace service revenue is in the form of commissions and platform usage fees that we charge to third-party merchants, where commissions and platform usage fees are generally charged at a certain percentage of sales and recognized at the point of delivery of products by the third-party merchants.
- Advertising services
 - We provide online digital marketing services to advertisers, including third-party merchants and suppliers. Our online digital marketing services include, among others, advertisement placements and pay-for-performance marketing services.
 - We charge advertising service fees to advertisers based on displays and effective clicks.
- Other services
 - We provide customers with technology and other services to empower their industrial supply chain digital transformation.
 - We primarily charge service fees to customers on a project basis.

OUR MARKET OPPORTUNITIES

China recorded the world's largest secondary industry output value in 2024 and is the only country that features all industrial categories listed in the United Nations Industrial Classification. Moreover, China leads the global industrial supply chain market, with the largest market size of RMB11.4 trillion in 2024, according to CIC.

China's industrial supply chain market is highly fragmented on both the supply and demand ends, with redundant distribution layers, non-standardized product parameters and specifications, and inefficient procurement process control within enterprises, leading to high costs, inefficiency, and low procurement transparency across the industrial supply chain. As a result, participants along the industrial supply chain have been calling for digital transformation to reduce costs and enhance efficiency.

The digital penetration rate of the industrial supply chain market in China was merely 6.2% in 2024 and is expected to reach 8.2% by 2029, according to CIC. The increasing digital penetration is expected to drive the industrial supply chain technology and service market to expand from RMB0.7 trillion in 2024 to RMB1.1 trillion in 2029, at a CAGR of 9.8%, according to CIC. As the industry increasingly shifts towards digitalization, traditional players may lack the capabilities or

SUMMARY

resources to digitalize their operations, while marketplace players normally have limited domain knowledge to resolve systemic supply chain problems. By adopting a differentiated business model and inheriting JD Group's profound domain knowledge in supply chain management, we believe we are best positioned to spearhead an end-to-end digital transformation for the industrial supply chain.

OUR FINANCIAL PERFORMANCE

We have experienced significant growth during the Track Record Period. We generate a majority of our revenue from sales of products and the rest from providing marketplace, advertising, and technology and other services. Our total revenue from continuing operations increased from RMB14.1 billion in 2022 to RMB17.3 billion in 2023 and further to RMB20.4 billion in 2024, representing a CAGR of 20.1%. Our total revenue from continuing operations increased from RMB8.6 billion in the six months ended June 30, 2024 to RMB10.3 billion in the six months ended June 30, 2025. Among our total revenue from continuing operations, our product revenue increased from RMB12.9 billion in 2022 to RMB16.1 billion in 2023 and further to RMB19.2 billion in 2024, representing a CAGR of 21.7%. Our product revenue increased from RMB8.1 billion in the six months ended June 30, 2024 to RMB9.6 billion in the six months ended June 30, 2025. Our service revenue remained stable at approximately RMB1.2 billion from 2022 to 2024. Our service revenue increased from RMB550.0 million in the six months ended June 30, 2024 to RMB668.4 million in the six months ended June 30, 2025.

We recorded net loss of RMB1.3 billion in 2022, net profit of RMB4.8 million in 2023 and net profit of RMB761.6 million in 2024. We recorded net profit of RMB291.2 million in the six months ended June 30, 2024, and net profit of RMB451.3 million in the six months ended June 30, 2025.

We review adjusted profit (non-IFRS measure) in evaluating our operating results and for financial and operational decision-making purposes. We define adjusted profit (non-IFRS measure) as profit or loss for the year from continuing operations, excluding share-based payment expenses, fair value changes of convertible preferred shares, loss on redesignation of convertible preferred shares, gain on repurchase of convertible preferred shares, listing expenses, and income tax effects of non-IFRS adjustments. By excluding the impact of these items which are non-cash in nature, we believe that the use of adjusted profit (non-IFRS measure) will provide investors with useful information in understanding and assessing our consolidated results of operations in the same manner as it helps our management. We recorded (i) an adjusted profit (non-IFRS measure) of RMB714.7 million, RMB817.7 million and RMB909.1 million in 2022, 2023 and 2024, respectively, representing a CAGR of 12.8% from 2022 to 2024; and (ii) an adjusted profit (non-IFRS measure) of RMB369.3 million and RMB495.4 million in the six months ended June 30, 2024 and 2025, respectively, representing a period-over-period growth rate of 34.1%. The increases in adjusted profit (non-IFRS measure) during the Track Record Period demonstrate the improving profitability of our business.

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

- The leader in the industrial supply chain technology and service market in China.
- Industry-transforming digital supply chain total solution.
- In-depth industrial supply chain know-how.

SUMMARY

- Expansive business model.
- Superior brand image and synergies in the JD ecosystem.
- Knowledgeable and experienced management team.

OUR STRATEGIES

We intend to pursue the following strategies:

- Continue to enhance our supply chain technological and service capabilities.
- Further expand our customer base and capture additional share of their procurement spending.
- Continue to strengthen team building and enhance service quality and operational capabilities.
- Continue to explore new market opportunities.

CUSTOMERS AND SUPPLIERS

Our customers consist of various participants along the industrial supply chain. For product sales, our customers are mainly key accounts, SMEs, and others. 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, energy, transportation, and other general industries. For each year/period during the Track Record Period, revenue derived from our top five customers in 2022, 2023 and 2024 and for the six months ended June 30, 2025 accounted for 8.1%, 10.5%, 12.1% and 13.3% of our total revenue, respectively.

Our suppliers mainly include manufacturers, distributors, and resellers of industrial products. We connected approximately 158,000 suppliers for the twelve months ended June 30, 2025. 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. For each year/period during the Track Record Period, purchases from our top five suppliers in 2022, 2023 and 2024 and for the six months ended June 30, 2025 accounted for 12.5%, 10.7%, 10.2% and 11.6% of our total purchases of products and services, respectively. For each year/period during the Track Record Period, purchases from our largest supplier, JD Group, accounted for less than 10.0% of our total purchases.

CERTAIN OPERATING AND FINANCIAL DATA

Certain Operating Data

Our business grew significantly during the Track Record Period. The following table sets forth certain operating metrics of our business for the years/periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
GMV (RMB in billions)	22.3	26.1	28.8	12.5	14.6
Product GMV (RMB in billions)	14.7	18.0	21.8	9.2	11.0
Marketplace GMV (RMB in billions)	7.7	8.1	6.9	3.3	3.6

SUMMARY

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
GMV attributable to key accounts (RMB in billions)	9.5	11.6	13.1	5.3	6.8
GMV attributable to SMEs (RMB in billions)	6.4	8.3	9.3	3.6	5.0
GMV attributable to others (RMB in billions) ⁽¹⁾	6.4	6.2	6.4	3.6	2.7

Note:

(1) “Others” includes demand-end participants other than key accounts and SMEs, such as sole proprietors and contractors.

	For the Year Ended December 31,			For the Twelve Months Ended June 30,
	2022	2023	2024	2025
Key accounts (in thousands) ⁽¹⁾	6.9	9.5	10.6	11.1
Average GMV per key account (RMB in millions)	1.4	1.2	1.2	1.3
Key accounts dollar retention rate (%) ⁽²⁾	139.3%	114.9%	105.7%	N.A.

Notes:

(1) Represent key accounts that placed orders with us during each year/period.

(2) Key account dollar retention rate shall be viewed in combination with the number of key accounts in each year.

Our product GMV increased during the Track Record Period and our marketplace GMV increased from 2022 to 2023, primarily driven by our success in attracting new customers and driving additional spending from existing customers. Our marketplace GMV decreased in 2024, primarily because our key accounts increasingly opted to procure products directly from us instead of through marketplace. Our marketplace GMV increased from the six months ended June 30, 2024 to the six months ended June 30, 2025, primarily because of the increase in GMV attributable to SMEs, who increasingly opted to purchase from our marketplace. The number of key accounts increased significantly during the Track Record Period, as a result of our strategic focus on expanding our customer base of key accounts by increasing the overall stickiness of our existing key accounts and continually attracting new key accounts. As we attracted new key accounts and expanded our key accounts base during the Track Record Period, the average GMV per key account fluctuated accordingly.

During the Track Record Period, there was a significant increase in the total number of SMEs. However, changes in the number of top SMEs (each contributing at least RMB1,000 in annual GMV) during the Track Record Period were relatively stable compared to changes in the number of other SMEs. In addition, the increases in GMV attributable to top SMEs during the Track Record Period were generally in line with the increases in total GMV attributable to SMEs. These top SMEs in aggregate accounted for the vast majority of, and were the primary growth driver for, our GMV attributable to SMEs during the Track Record Period.

Certain Financial Data

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

SUMMARY

The following table sets forth a breakdown of our total revenue from continuing operations both in absolute amount and as a percentage of our total revenue from continuing operations for the years/periods presented.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(Unaudited)										
(in thousands, except percentages)										
Product revenue:										
Sales of products	12,935,479	91.5	16,120,101	93.0	19,169,998	94.0	8,070,006	93.6	9,581,953	93.5
Service revenue:										
Marketplace	644,287	4.6	556,670	3.2	409,784	2.0	195,447	2.3	208,056	2.0
Advertising and other services	554,929	3.9	659,112	3.8	817,959	4.0	354,588	4.1	460,379	4.5
Total	14,134,695	100.0	17,335,883	100.0	20,397,741	100.0	8,620,041	100.0	10,250,388	100.0

The following table sets forth a breakdown of our gross profit and gross profit margin of product revenue and service revenue from continuing operations for the years/periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit (RMB)	Margin (%)	Gross Profit (RMB)	Margin (%)	Gross Profit (RMB)	Margin (%)	Gross Profit (RMB)	Margin (%)	Gross Profit (RMB)	Margin (%)
(Unaudited)										
(in thousands, except percentages)										
Product revenue	1,426,959	11.0	1,619,702	10.0	2,157,958	11.3	924,847	11.5	1,276,887	13.3
Service revenue	1,113,949	92.9	1,178,962	97.0	1,155,427	94.1	531,768	96.7	624,703	93.5
Total	2,540,908	18.0	2,798,664	16.1	3,313,385	16.2	1,456,615	16.9	1,901,590	18.6

We achieved gross profit growth in 2023, but the gross profit margin slightly decreased from 2022. This was primarily due to the changes in our revenue mix with increasing contribution from product revenue, which has a lower gross profit margin compared to that of service revenue. To a lesser extent, the decrease was also attributable to changes in the mix of product revenue as we continued to expand our product offerings, attract more new key accounts, and optimize our supply network. Our gross profit continued to increase in 2024, while our gross profit margin remained relatively stable. Moreover, both of our gross profit and gross profit margin increased in the six months ended June 30, 2025 compared to the six months ended June 30, 2024, 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.

Product revenue

Product revenue is generated from our sales of industrial products. The industrial products we sell primarily consist of MRO products (including general-purpose MRO products and professional MRO products) and BOM products. We record product revenue net of discounts and return allowances. Our product revenue grew significantly during the Track Record Period, and we expect that it will continue to grow in the foreseeable future.

SUMMARY

The following table sets forth our product revenue from general-purpose MRO products, professional MRO products and BOM products for the years/periods indicated, respectively:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(Unaudited)				
	(in billions of RMB)				
Product revenue from general-purpose MRO products	9.4	10.3	11.1	4.7	5.4
Product revenue from professional MRO products	2.7	4.8	6.5	2.7	3.3
Product revenue from BOM products	0.8	1.0	1.6	0.7	0.9

During the Track Record Period, general-purpose MRO products generally had higher gross profit margins compared to the other two categories, primarily because we accumulated rich experience and had strong operational capabilities in general-purpose MRO products, which was the first category of industrial products we offered. With our success in general-purpose MRO products, we have successfully expanded our product offerings to professional MRO products, and are penetrating into BOM products. As we are still in the early stage of operating BOM products, BOM products generally had lower gross profit margins compared to professional MRO products. As we accumulate more experience and enhance our operational capabilities, we expect that we will continue to gradually improve the gross profit margins of our professional MRO products and BOM products primarily by leveraging our increasing purchase volumes to secure better pricing terms from our upstream suppliers.

The following table sets forth our product revenue attributable to key accounts, SMEs and others for the years/periods indicated, respectively:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(Unaudited)				
	(in billions of RMB)				
Product revenue attributable to key accounts	6.7	9.0	11.4	4.6	5.9
Product revenue attributable to SMEs	4.5	5.2	5.7	2.3	3.0
Product revenue attributable to others	1.7	1.9	2.0	1.2	0.7

During the Track Record Period, the gross profit margin of product revenue attributable to key accounts was relatively lower compared to that attributable to SMEs and others, as we strategically focused on providing cost-effective industrial products to help key accounts reduce overall procurement costs, thus enhancing customer experience, cultivating loyalty and increasing stickiness. As we continuously expand our key accounts customer base and enhance key accounts customer experience, we expect that we will continue to improve the gross profit margin of product revenue attributable to key accounts.

Key accounts mostly come from industries such as manufacturing, energy, construction, transportation, and other general industries. Our product revenue attributable to key accounts in the manufacturing, energy, construction and transportation sectors consistently represented a significant portion of our total product revenue attributable to key accounts during the Track Record Period. In particular, our product revenue attributable to key accounts in these sectors accounted for between 50% and 80% of our total product revenue attributable to key accounts in each year/period of 2022, 2023, 2024 and the six months ended June 30, 2025.

SUMMARY

Service revenue

Service revenue is mainly generated from marketplace, advertising, and technology and other services, for which we primarily charge (i) commissions and platform usage fees from third-party merchants on our marketplace; (ii) advertising service fees from advertisers; and (iii) service fees from customers of our technology and other services.

The following table sets forth a breakdown of the gross profit and gross profit margin of service revenue by service revenue type for the years/periods indicated, respectively:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit (RMB)	Gross Profit Margin (%)	Gross Profit (RMB)	Gross Profit Margin (%)	Gross Profit (RMB)	Gross Profit Margin (%)	Gross Profit (RMB)	Gross Profit Margin (%)	Gross Profit (RMB)	Gross Profit Margin (%)
	(Unaudited)									
	(in thousands, except percentages)									
Marketplace	644,287	100.0	556,670	100.0	409,784	100.0	195,447	100.0	208,056	100.0
Advertising and other services	469,662	84.6	622,292	94.4	745,643	91.2	336,321	94.8	416,647	90.5
Service revenue	<u>1,113,949</u>	<u>92.9</u>	<u>1,178,962</u>	<u>97.0</u>	<u>1,155,427</u>	<u>94.1</u>	<u>531,768</u>	<u>96.7</u>	<u>624,703</u>	<u>93.5</u>

Our marketplace revenue decreased from 2022 to 2024, primarily because our key accounts increasingly opted to procure products directly from us instead of through marketplace. Our marketplace revenue increased from RMB195.4 million in the six months ended June 30, 2024 to RMB208.1 million in the six months ended June 30, 2025, primarily because of the increase in GMV attributable to SMEs, who increasingly opted to purchase from our marketplace. Our advertising and other services revenue increased throughout the Track Record Period.

During each year/period of the Track Record Period, our marketplace business had a gross profit margin of 100%. The gross profit margin of advertising and other services increased from 2022 to 2023, decreased slightly from 2023 to 2024, and decreased slightly from the six months ended June 30, 2024 to the six months ended June 30, 2025.

RISK FACTORS

Our operations and the Global Offering involve certain risks and uncertainties, which are set out in the section headed “Risk Factors.” You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include:

- 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;

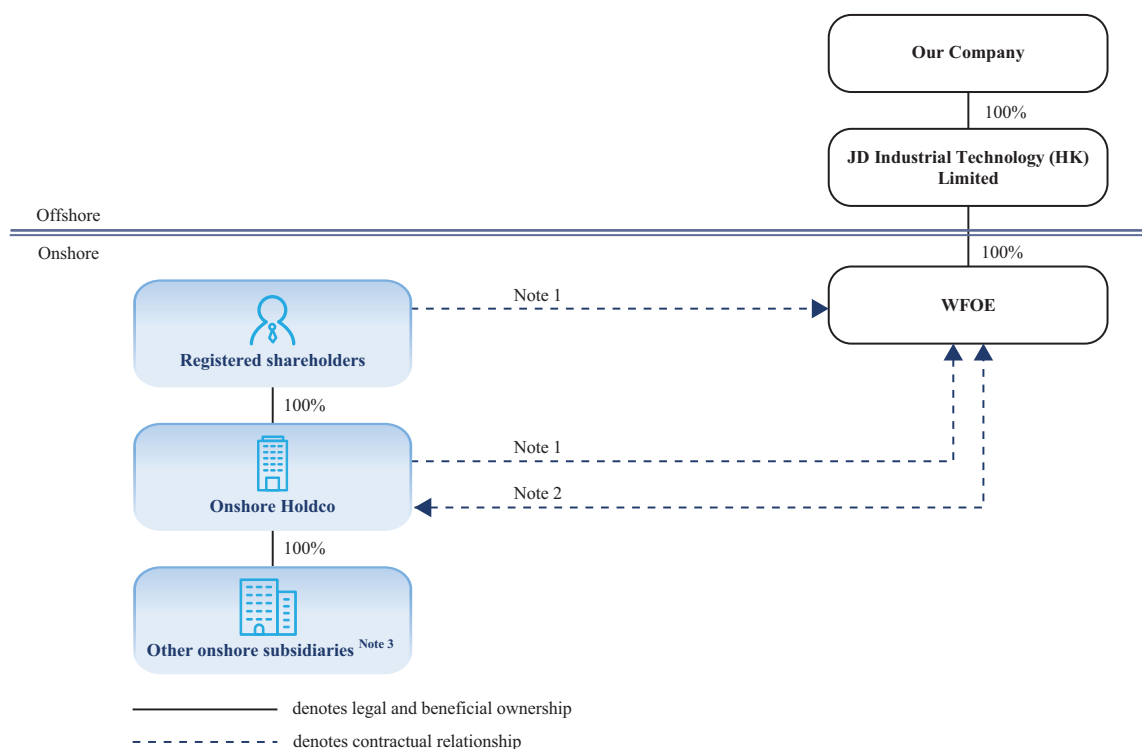
SUMMARY

- 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.

CONTRACTUAL ARRANGEMENTS

Our Company operates or may operate in certain industries that are subject to restrictions under the current PRC laws and regulations. In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements entered into on March 30, 2023. Hence, we do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations. For further details, please see section headed "Contractual Arrangements" in this document.

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 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. See section headed "Contractual Arrangements—Our Contractual Arrangements—Exclusive Option Agreement."

SUMMARY

The Registered Shareholders executed powers of attorney in favor of the WFOE, for the exercise of all shareholders' rights in the Onshore Holdco. See section headed "Contractual Arrangements—Our Contractual Arrangements—Shareholders' Rights Entrustment Agreement and Powers of Attorney."

The Registered Shareholders granted security interests in favor of the WFOE, over the entire equity interests in the Onshore Holdco. See section headed "Contractual Arrangements—Our Contractual Arrangements—Share Pledge Agreement."

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."
3. Onshore Holdco holds, among others, 100% of the equity interests of Beijing Boyan and Suzhou Gongpinhui.

OUR CONTROLLING SHAREHOLDERS AND CONTINUING CONNECTED TRANSACTIONS

As of the Latest Practicable Date, JD.com, through (i) JD Industrial Technology Limited, its wholly-owned subsidiary, (ii) JD Industrial Technology LLC, the only common unit with voting rights of which was held by JD Industrial Technology Limited, and (iii) 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, was indirectly interested in 1,944,222,154 Shares, representing an aggregate of approximately 78.84% of our total issued share capital. Immediately after the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans), JD.com, through JD Industrial Technology Limited, JD Industrial Technology LLC and Magical Brush Limited, will control an aggregate of approximately 72.34% of our total issued share capital.

Further, as of the Latest Practicable Date, Mr. Richard Qiangdong Liu (劉強東) beneficially owned (i) 305,630,780 Class B ordinary shares held by Max Smart Limited, (ii) 11,487,275 American Depositary Shares (each representing two Class A ordinary shares), representing 22,974,550 Class A ordinary shares, held by Max Smart Limited, and (iii) 17,000,000 Class A ordinary shares that Mr. Richard Qiangdong Liu had the right to acquire upon exercise of options that shall have become vested within 60 days after the Latest Practicable Date. As of the Latest Practicable Date, Mr. Richard Qiangdong Liu has not exercised his right to acquire such Class A ordinary shares. In addition, Fortune Rising Holdings Limited, of which Mr. Richard Qiangdong Liu is the sole shareholder and the sole director, held 16,199,296 Class B ordinary shares as of the Latest Practicable Date. Therefore, Mr. Richard Qiangdong Liu controls approximately 72.4% of the aggregate voting power of JD.com, including 3.6% of the aggregate voting power of JD.com that he may exercise on behalf of Fortune Rising Holdings Limited, as of the Latest Practicable Date. In addition, Max I&P Limited, a holding vehicle controlled by Mr. Richard Qiangdong Liu who is its sole director and the settlor of the trust holding all of its issued share capital, held 90,629,636 Shares issued pursuant to the share awards already vested to Mr. Richard Qiangdong Liu under the Pre-IPO ESOP, representing approximately 3.68% of our total issued share capital as of the Latest Practicable Date.

Accordingly, our Company will remain as a subsidiary of JD.com after the Listing, and JD.com, JD Industrial Technology Limited, Mr. Richard Qiangdong Liu, Max Smart Limited, Fortune Rising Holdings Limited, Max I&P Limited, Magical Brush Limited and JD Industrial Technology LLC will constitute a group of Controlling Shareholders of our Company.

Relationship with JD Group

Our Group's businesses capitalize, and collaborate closely with JD Group's platforms, including the extensive services offered by JD Group to facilitate the online sales and marketing of our products and services, technology and traffic support, sharing of loyalty programs, logistics services arrangements and payment processing services. While some transactions under our Group's businesses

SUMMARY

are executed on and utilize JD Group's online platforms (including jd.com and mobile apps) and payment processing services, our Group's businesses are operated on separate sections on JD Group's webpage and mobile apps dedicated to industrial supply chain technology and services. Our Group also has (i) non-public designated digital procurement systems offered to key accounts, which are operated by our Group, and (ii) individual websites and mobile apps, such as vipmro.com, for provision of its products and services to SMEs and others, which can be accessed directly by customers that are not directed from JD Group's platforms. The revenue generated by our Group from (i) and (ii) above without involving traffic from JD Group was RMB7,476.9 million, RMB9,815.7 million, RMB12,303.5 million and RMB6,553.3 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, representing 52.9%, 56.6%, 60.3% and 63.9% of the revenue of our Group for the same periods. The revenue generated by our Group from JD Group's platforms, including service revenue and revenues generated from mro.jd.com, was RMB6,657.8 million, RMB7,520.2 million, RMB8,094.2 million and RMB3,697.1 million for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, representing 47.1%, 43.4%, 39.7% and 36.1% of the revenue of our Group for the same periods.

The abovementioned relationship achieves consistency and synergies between JD Group and our Group, ensures a consistent and superior customer experience, and leads to increased user growth and stickiness for both JD Group and our Group. Furthermore, we believe that our relationship with JD Group represents an industry norm in light of JD Group being one of the few leading e-commerce platforms in China operating an integrated ecosystem.

Continuing connected transactions

We have entered into a number of partially exempt and non-exempt continuing connected transactions with JD Group and its associates, including (i) provision of technology and traffic support services by JD Group, sharing of loyalty programs with JD Group and payment services arrangements by JD Group and its associates; (ii) provision of supply chain solutions and logistics services by JD Group; (iii) certain other partially exempt and non-exempt continuing connected transactions. For example, for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, the fees charged by JD Group and its associates (as applicable) under the following arrangements included: (i) the technology and traffic support services accounted for approximately 2.9%, 2.7%, 2.5% and 2.4% of our Group's cost of revenue and operating expenses, respectively; (ii) the loyalty program arrangements accounted for approximately 0.2%, 0.2%, 0.1% and 0.03% of our Group's cost of revenue and operating expenses, respectively; (iii) the payment services accounted for approximately 0.8%, 0.7%, 0.4% and 0.3% of our Group's cost of revenue and operating expenses, respectively; and (iv) the supply chain solutions and logistics services accounted for approximately 2.1%, 2.2%, 2.7% and 4.2% of our Group's cost of revenue and operating expenses, respectively. In relation to these transactions, we are of the view that we do not and will not significantly rely on JD Group. Please refer to the section headed "Relationship with Our Controlling Shareholders—Independence from Controlling Shareholders—Operational Independence."

We believe these connected transactions are mutually beneficial to our Group and JD Group. For our Group, we are able to (i) derive revenue from JD Group which improves our economies of scale and therefore competitiveness; and (ii) enjoy certain cost effective back-office and administrative support functions from JD Group. For JD Group, they are able to (i) enjoy and leverage the expertise of our Group in industrial supply chain technology and services; and (ii) enjoy better economies of scale on certain back-office and administrative support functions. Please refer to the section headed "Relationship with Our Controlling Shareholders" and "Connected Transactions" in this document for further details.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document and the Consolidated Financial Statements set out in Appendix I to this document. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRSs.

Selected Consolidated Statements of Profit or Loss Items

The following table sets forth our consolidated statements of profit or loss with line items in absolute amounts and as a percentage of our revenue for the years/periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(Unaudited)										
(in thousands, except percentages)										
Continuing operations										
Revenue	14,134,695	100.0	17,335,883	100.0	20,397,741	100.0	8,620,041	100.0	10,250,388	100.0
Cost of revenue	(11,593,787)	(82.0)	(14,537,219)	(83.9)	(17,084,356)	(83.8)	(7,163,426)	(83.1)	(8,348,798)	(81.4)
Gross profit	2,540,908	18.0	2,798,664	16.1	3,313,385	16.2	1,456,615	16.9	1,901,590	18.6
Fulfillment expenses	(781,599)	(5.5)	(942,606)	(5.4)	(1,126,706)	(5.5)	(506,080)	(5.9)	(796,213)	(7.8)
Selling and marketing expenses	(564,612)	(4.0)	(702,883)	(4.1)	(844,515)	(4.1)	(366,665)	(4.3)	(485,721)	(4.7)
Research and development expenses	(344,875)	(2.4)	(295,219)	(1.7)	(289,334)	(1.4)	(146,975)	(1.7)	(142,574)	(1.4)
General and administrative expenses	(142,600)	(1.0)	(314,841)	(1.8)	(193,710)	(0.9)	(90,313)	(1.0)	(90,962)	(0.9)
Other income and (losses)/ gains, net	(36,513)	(0.3)	3,571	0.0	(25,227)	(0.1)	(38,100)	(0.4)	93,304	0.9
Finance income	158,559	1.1	287,401	1.7	293,277	1.4	160,266	1.9	129,426	1.3
Finance costs	(105,560)	(0.7)	(139,268)	(0.8)	(193,182)	(0.9)	(75,016)	(0.9)	(90,305)	(0.9)
Fair value changes of convertible preferred shares	(1,915,655)	(13.6)	(530,279)	(3.1)	(47,607)	(0.2)	(9,084)	(0.1)	(4,495)	(0.0)
Impairment losses under expected credit loss ("ECL") model, net of reversal	(417)	(0.0)	(4,182)	(0.0)	(3,778)	(0.0)	(6,594)	(0.1)	(1,988)	(0.0)
(Loss)/profit before income tax from continuing operations	(1,192,364)	(8.4)	160,358	0.9	882,603	4.3	378,054	4.4	512,062	5.0
Income tax expense	(191,734)	(1.4)	(155,559)	(0.9)	(120,995)	(0.6)	(86,807)	(1.0)	(60,748)	(0.6)
(Loss)/profit for the year/period from continuing operations	(1,384,098)	(9.8)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4
Discontinued operations										
Profit for the year/period from discontinued operations	114,966	0.8	—	—	—	—	—	—	—	—
(Loss)/profit for the year/period ..	(1,269,132)	(9.0)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4
(Loss)/profit for the year/period attributable to the owners of the Company:										
From continuing operations	(1,384,098)	(9.8)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4
From discontinued operations	49,970	0.4	—	—	—	—	—	—	—	—
	(1,334,128)	(9.4)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4
Non-IFRS Measure:⁽¹⁾										
Adjusted profit (non-IFRS measure) for the year/period	714,670	5.1	817,710	4.7	909,134	4.5	369,346	4.3	495,440	4.8

(1) See "—Non-IFRS Measure: Adjusted Profit (Non-IFRS Measure) for the Year/Period."

SUMMARY

We experienced significant revenue growth during the Track Record Period. Our total revenue from continuing operations increased from RMB14.1 billion in 2022 to RMB17.3 billion in 2023 and further to RMB20.4 billion in 2024. Our total revenue from continuing operations increased from RMB8.6 billion in the six months ended June 30, 2024 to RMB10.3 billion in the six months ended June 30, 2025.

We primarily generate revenue from sales of products and provision of services. Our product revenue increased from RMB12.9 billion in 2022 to RMB16.1 billion in 2023 and further to RMB19.2 billion in 2024. Our service revenue remained stable at approximately RMB1.2 billion from 2022 to 2024. Our product revenue increased from RMB8.1 billion in the six months ended June 30, 2024 to RMB9.6 billion in the six months ended June 30, 2025. Our service revenue increased from RMB550.0 million in the six months ended June 30, 2024 to RMB668.4 million in the six months ended June 30, 2025.

In 2022, 2023 and 2024, we recorded a net loss of RMB1.3 billion, a net profit of RMB4.8 million and a net profit of RMB761.6 million, respectively. In the six months ended June 30, 2024 and 2025, we recorded a net profit of RMB291.2 million and RMB451.3 million, respectively.

During the Track Record Period, we participated in the treasury management scheme managed by JD Group to better manage our excess cash to achieve higher returns. According to the terms of the Series A Share Subscription Agreement, we were entitled to receive interest income from such treasury management scheme. We have received the amounts under the treasury management scheme paid by JD Group in cash, and terminated this arrangement in June 2023. See “Financial Information—Material Related Party Transactions” for details of the treasury management scheme.

Non-IFRS Measure: Adjusted Profit (Non-IFRS Measure) For The Year/Period

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. We believe adjusted profit (non-IFRS measure) facilitates comparisons of operating performance from period to period and company to company.

We believe adjusted profit (non-IFRS measure) provides 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 adjusted profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit (non-IFRS measure) 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 adjusted profit (non-IFRS measure) as profit or loss for the year/period from continuing operations, excluding share-based payment expenses, fair value changes of convertible preferred shares, loss on redesignation of convertible preferred shares, gain on repurchase of convertible preferred shares, listing expenses, and income tax effects of non-IFRS adjustments. We adjust these items because they are not expected to result in future cash payments or incomes. See “Financial Information—Non-IFRS Measure: Adjusted Profit (Non-IFRS Measure) For The Year/Period” for details.

SUMMARY

The following table (in absolute amounts and as percentages of total revenue from continuing operations for the year/period indicated) reconciles our adjusted profit (non-IFRS measure) for the year/period presented in accordance with IFRSs, which is profit or loss for the year/period from continuing operations:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(Unaudited)									
	(in thousands, except percentages)									
Reconciliation of (loss)/profit to adjusted profit (non-IFRS measure):										
(Loss)/profit for the year/period from continuing operations	(1,384,098)	(9.8)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4
Add:										
Share-based payment expenses	183,113	1.3	297,314	1.7	125,241	0.6	80,723	0.9	50,591	0.5
Fair value changes of convertible preferred shares	1,915,655	13.6	530,279	3.1	47,607	0.2	9,084	0.1	4,495	0.0
Loss on redesignation of convertible preferred shares	—	—	45,251	0.3	—	—	—	—	—	—
Gain on repurchase of convertible preferred shares	—	—	(77,715)	(0.4)	—	—	—	—	—	—
Listing expenses	—	—	43,662	0.3	7,167	0.0	—	—	2,901	0.0
Income tax effects of non-IFRS adjustments	—	—	(25,880)	(0.2)	(32,489)	(0.2)	(11,708)	(0.1)	(13,861)	(0.1)
Adjusted profit (non-IFRS measure) for the year/period	714,670	5.1	817,710	4.7	909,134	4.5	369,346	4.3	495,440	4.8

In 2022, 2023 and 2024, we recorded a net loss for the year from continuing operations of RMB1.4 billion, a net profit for the year from continuing operations of RMB4.8 million and a net profit for the year from continuing operations of RMB761.6 million, respectively. In the six months ended June 30, 2024 and 2025, we recorded a net profit for the period from continuing operations of RMB291.2 million and a net profit for the period from continuing operations and RMB451.3 million, respectively. The net loss from continuing operations recorded in 2022 was primarily attributable to certain non-cash items, including share-based payment expenses and fair value changes of convertible preferred shares.

We recorded (i) an adjusted profit (non-IFRS measure) of RMB714.7 million, RMB817.7 million and RMB909.1 million in 2022, 2023 and 2024, respectively, representing a CAGR of 12.8% from 2022 to 2024; and (ii) an adjusted profit (non-IFRS measure) of RMB369.3 million and RMB495.4 million in the six months ended June 30, 2024 and 2025, respectively, representing a period-over-period growth rate of 34.1%. The increases in adjusted profit (non-IFRS measure) during the Track Record Period demonstrate the improving profitability of our business.

SUMMARY

Selected Consolidated Statements of Financial Position Items

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Current assets:				
Inventories	606,993	510,507	896,856	1,249,681
Trade and note receivables	45,454	73,025	109,638	117,996
Prepayments, other receivables and other assets	6,370,945	1,233,783	2,167,632	1,131,378
Term deposits	—	3,552,446	2,000,741	6,101,779
Cash and cash equivalents	12,344	5,488,742	8,372,098	4,559,678
Restricted cash	—	14,270	9,043	11,091
Total current assets	7,035,736	10,872,773	13,556,008	13,171,603
Current liabilities:				
Trade payables	2,389,722	3,791,638	5,109,000	4,493,637
Contract liabilities	353,842	228,493	238,343	207,448
Accrued expenses and other payables	619,213	796,932	1,008,876	857,964
Lease liabilities	5,201	5,494	1,119	3,158
Income tax payables	49,855	86,855	141,230	61,617
Convertible preferred shares ⁽¹⁾	5,621,814	7,503,898	7,663,753	7,636,457
Total current liabilities	9,039,647	12,413,310	14,162,321	13,260,281
Net current liabilities	2,003,911	1,540,537	606,313	88,678
Net (liabilities)/assets	(749,388)	(342,490)	486,991	1,001,661

Note:

(1) Convertible preferred shares are reclassified from non-current liabilities to current liabilities upon the application of the amendments International Accounting Standards (“IAS”) 1, which became effective on January 1, 2024 with a retroactive effect throughout the Track Record Period. Therefore, convertible preferred shares were recorded under current liabilities on our consolidated statements of financial position during the Track Record Period.

We had net current liabilities positions as of December 31, 2022, 2023 and 2024 and as of June 30, 2025. Our net current liabilities positions as of each of these dates were primarily attributable to convertible preferred shares and trade payables, partially offset by inventories, prepayments, other receivables and other assets, term deposits, and cash and cash equivalents. Our convertible preferred shares increased from RMB5.6 billion as of December 31, 2022 to RMB7.5 billion as of December 31, 2023 and to RMB7.7 billion as of December 31, 2024 and remained stable at RMB7.6 billion as of June 30, 2025, in line with the increases in the fair value of the Preference Shares, resulting from the increases in our equity value. Our Preference Shares will be automatically converted into ordinary shares upon the closing of the Global Offering, and will therefore be re-designated from financial liabilities to equity on our consolidated statements of financial position. We have settled outstanding amounts under the treasury management scheme with JD Group in cash, and terminated this arrangement in June 2023. As a result, our cash and cash equivalents increased significantly from RMB12.3 million as of December 31, 2022 to RMB5.5 billion as of December 31, 2023, and our term deposits increased significantly from nil as of December 31, 2022 to RMB3.6 billion as of December 31, 2023.

Our net liabilities decreased from RMB749.4 million as of December 31, 2022 to RMB342.5 million as of December 31, 2023, primarily due to share-based payment expenses and

SUMMARY

surplus of tax effects of RMB298.2 million and exercise of share options and issuance of ordinary shares for vested RSUs of RMB250.6 million, partially offset by total comprehensive expense for the year of RMB73.1 million. We recorded net assets of RMB487.0 million as of December 31, 2024, as compared to net liabilities of RMB342.5 million as of December 31, 2023, primarily due to total comprehensive income for the year of RMB710.1 million and share-based payment expenses and surplus of tax effects of RMB127.3 million, partially offset by repurchase of exercisable share options of RMB7.9 million. We recorded net assets of RMB1.0 billion as of June 30, 2025, as compared to net assets of RMB487.0 million as of December 31, 2024, primarily due to total comprehensive income for the period of RMB469.2 million.

Selected Consolidated Statements of Cash Flows Items

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

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
				(Unaudited)	
	(in thousands of RMB)				
Net cash generated from operating activities	1,975,302	1,378,930	1,296,404	56,803	292,483
Net cash (used in)/generated from investing activities	(4,455,607)	2,647,421	1,561,151	(223,856)	(4,098,370)
Net cash (used in)/generated from financing activities	(6,790)	1,429,663	(16,105)	(5,828)	(4,735)
Net (decrease)/increase in cash and cash equivalents	(2,487,095)	5,456,014	2,841,450	(172,881)	(3,810,622)
Cash and cash equivalents at the beginning of the year/period	2,440,609	12,344	5,488,742	5,488,742	8,372,098
Effects of foreign exchange rate changes on cash and cash equivalents	58,830	20,384	41,906	9,545	(1,798)
Cash and cash equivalents at the end of the year/period	12,344	5,488,742	8,372,098	5,325,406	4,559,678

Key Financial Ratios

The following table sets forth our key financial ratios for the years/periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
Growth of revenue from continuing operations (%)	36.6	22.6	17.7	20.3	18.9
Net margin(%) ⁽¹⁾	(9.8)	0.0	3.7	3.4	4.4
Adjusted net margin (non-IFRS measure) (%) ⁽²⁾	5.1	4.7	4.5	4.3	4.8

Notes:

- (1) Net margin equals profit or loss from continuing operations divided by revenue from continuing operations for the year and multiplied by 100%.
- (2) Non-IFRS net margin (non-IFRS measure) equals adjusted profit (non-IFRS measure) divided by revenue from continuing operations for the year and multiplied by 100%. See “—Non-IFRS Measure: Adjusted Profit (Non-IFRS Measure) for the Year/Period.”

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the listing committee of the Stock Exchange for the granting of the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3)

SUMMARY

of the Listing Rules with reference to (i) our revenue of RMB20.4 billion (equivalent to approximately HK\$22.3 billion) for the year ended December 31, 2024 exceeds HK\$500 million, and (ii) our expected market capitalization at the time of Listing, which, based on the low-end of the indicative Offer Price range, exceeds HK\$4 billion.

DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. Any future decision to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, the availability of dividends received from our subsidiaries, our future operations and earnings, capital requirements and surplus, cash flows, general financial condition, contractual restrictions and other factors that our Board deems relevant. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board. As advised by our Cayman Islands counsel, under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits or share premium account. In particular, as further advised by our Cayman Islands counsel, under Cayman Islands law, a position of accumulated losses does not necessarily restrict our ability to declare and pay dividends, as dividends may be declared and paid out of our share premium account notwithstanding our profitability, provided that (i) the directors must act in what they consider in good faith to be in our best interests when considering whether or not to pay a dividend taking into account such accumulated losses, and (ii) in no circumstances may a dividend be declared or paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Investors should not purchase our shares with the expectation of receiving cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate. We have adopted a dividend policy on November 26, 2025, which outlines the principles and guidelines as stated above. During the Track Record Period, no dividends were paid or declared by us. We do not have a fixed dividend payout ratio.

GLOBAL OFFERING

This document is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises of:

- (a) the Hong Kong Public Offering of initially 21,121,000 Offer Shares (subject to reallocation) in Hong Kong as described in the section headed “Structure of the Global Offering—The Hong Kong Public Offering”; and
- (b) the International Offering of initially 190,087,800 Offer Shares (subject to reallocation and the Over-allotment Option) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (ii) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the section headed “Structure of the Global Offering—The International Offering”.

The Offer Shares will represent approximately 7.86% of the total Shares in issue immediately following the completion of the Global Offering and the Conversion Adjustment, assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 8.93% of the total Shares in issue immediately following the completion of the Global Offering and the Conversion Adjustment.

SUMMARY

RECENT DEVELOPMENTS

For the eight months ended August 31, 2025, we recorded total revenue of RMB14.1 billion, representing an 18.9% increase from the same period in 2024. During the same period, our gross profit margin remained relatively stable as compared to the six months ended June 30, 2025.

Our Directors confirm that there have been no material adverse changes in our financial, operational or trading positions or prospects since June 30, 2025, being the date of our audited financial statements as set out in the Accountants' Report in Appendix I to this document, and up to the date of this document.

OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 211,208,800 Offer Shares are issued pursuant to the Global Offering; and (ii) 2,687,570,231 Shares are issued and outstanding following the completion of the Global Offering and the Conversion Adjustment.

	<u>Based on an Offer Price of HK\$12.70 per Share</u>	<u>Based on an Offer Price of HK\$15.50 per Share</u>
Market capitalization of our Shares ⁽¹⁾	HK\$34,132 million	HK\$41,657 million
Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share ⁽²⁾⁽³⁾	HK\$1.43 (RMB1.30)	HK\$1.69 (RMB1.54)

Notes:

1. The calculation of market capitalization is based on 2,687,570,231 Shares expected to be in issue immediately upon completion of the Global Offering and the Conversion Adjustment. The difference between 2,687,570,231 Shares and 2,247,902,780 Shares disclosed in note 2 below is attributable to the impact from the conversion of each series of convertible preferred shares with the total number of 429,247,881 shares, including 18,660,199 Series Pre-A Preference Shares, 230,000,000 Series A Preference Shares, 64,654,613 Series A-1 Preference Shares and 115,933,069 Series B Preference Shares (the "Conversion").
2. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as at June 30, 2025 per Share is calculated based on 2,247,902,780 Shares, being the number of Shares expected to be in issue assuming that Global Offering had been completed on June 30, 2025. It does not take into account conversion of Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares into Shares upon the completion of the Global Offering and the Conversion Adjustment, allotment and issuance of any Offer Shares upon the exercise of the Over-allotment Option and the Shares to be issued under the Share Incentive Plans.
3. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 to reflect any operating results or other transactions of our Group entered into subsequent to June 30, 2025. In particular, the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as shown on the table above have not been adjusted to illustrate the effect of the Conversion. As of June 30, 2025, the carrying amount of 429,247,881 Preferred Shares of the Group was RMB7,636,457,000 and recognized as financial liabilities. The Preferred Shares shall automatically be converted without the payment of any additional consideration into ordinary shares upon the completion of the Global Offering based on initial conversion ratio of 1:1 for Series Pre-A Preference Shares, Series A Preference Shares and Series A-1 Preference Shares while based on the Conversion Adjustment as set out in section headed "History, Reorganization and Corporate Structure" of the Prospectus for Series B Preference Shares. Had the Conversion and cash payment to the holders of Series B Preference Shares according to the Conversion Adjustment been assumed to take place as at June 30, 2025, the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company would have increased from approximately RMB2,923,573,000 to approximately RMB9,894,520,000 based on an Offer Price of HK\$12.70 per Offer Share, after taking into account the carrying amount of Preferred Shares of the Group as of June 30, 2025 and the cash payment under the Conversion Adjustment. The number of Shares used in the calculation would have increased from 2,247,902,780 Shares to 2,687,570,231 Shares based on an Offer Price of HK\$12.70 per Offer Share, after taking into account the Conversion of the Preferred Shares. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share, after taking into account the carrying amount of Preferred Shares of the Group as of June 30, 2025 and the cash payment under the Conversion Adjustment, would have increased to RMB3.68 (HK\$4.04), based on the Offer Price of HK\$12.70 per Offer Share.

For the purpose of calculating the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share, the translation of Hong Kong dollars into Renminbi or Renminbi into Hong Kong dollars was made at the exchange rate of HK\$1.00 to RMB0.9103 as disclosed in the "Information about This Document and the Global Offering—Exchange Rate Conversion" section of this document. No representation is made that Hong Kong dollars amounts have been, would have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

SUMMARY

For the calculation of the unaudited pro forma adjusted net tangible asset value per Share attributed to our Shareholders, see the section headed “Unaudited Pro Forma Financial Information” in Appendix II.

LISTING EXPENSES

Based on the mid-point Offer Price of HK\$14.10, the total estimated listing related expenses payable by us in relation to the offering of the Offer Shares under the Global Offering, together with the fees and expenses for professional advisors and service providers engaged for the Global Offering, is approximately RMB137.0 million (or approximately RMB82.6 million after excluding underwriting commission, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee of approximately RMB54.4 million and assuming the Over-allotment Option is not exercised). We incurred listing expenses of RMB53.7 million which has charged to our consolidated statements of comprehensive income during the Track Record Period. We estimate that the total listing expenses in the amount of RMB33.8 million will be charged to our consolidated statements of comprehensive income for the six months ending December 31, 2025. Such estimated listing expenses account for approximately 1.2% of the gross proceeds from the Global Offering. The balance of approximately RMB49.5 million, which mainly includes underwriting commission, is expected to be deducted from equity for the year ending December 31, 2025. These listing expenses mainly comprise professional fees paid and payable to the professional parties for their services rendered in relation to the Listing and the Global Offering and the underwriting commission and incentive fee payable to the Underwriters in connection with the offering of Offer Shares under the Global Offering.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK\$14.10 per Offer Share (being the mid-point of the Offer Price range stated in the prospectus), will be approximately HK\$2,827 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 35% of the net proceeds, or approximately HK\$990 million, is expected to be used to further enhance our industrial supply chain capabilities over the next 48 to 60 months;
- approximately 25% of the net proceeds, or approximately HK\$707 million, is expected to be used for business expansion across geographies over the next 48 to 60 months;
- approximately 30% of the net proceeds, or approximately HK\$848 million, is expected to be used for potential strategic investments or acquisitions; and
- approximately 10% of the net proceeds, or approximately HK\$283 million, is expected to be used for general corporate purposes and working capital needs.

See the section headed “Future Plans and Use of Proceeds” in this document for further details.

SUMMARY

SPIN-OFF

Having considered, among other things, our industrial supply chain technology and services have grown to a sufficient size that warrants a separate listing on the Stock Exchange, JD.com submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules. The Stock Exchange has confirmed that JD.com may proceed with the JDI Spin-off as proposed. Our Company will comply with the requirements under Practice Note 15 and the applicable requirements of the Listing Rules regarding the JDI Spin-off, save with respect to paragraph 3(f) of Practice Note 15, in respect of which JD.com has applied for, and the Stock Exchange has granted, a waiver from the requirement for us to provide existing shareholders of JD.com with an assured entitlement to apply for Shares pursuant to the Global Offering. See the section headed “History, Reorganization and Corporate Structure—Spin-off” in this document for further details of the JDI Spin-off.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the following meanings.

“Accountants’ Report”	the accountant’s report of our Company, the text of which is set out in Appendix I to this document
“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
“AFRC”	the Accounting and Financial Reporting Council, the full-fledged independent auditor regulator of Hong Kong established under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
“Articles” or “Articles of Association”	the articles of association of our Company conditionally adopted on November 27, 2025 with effect from the Listing Date, a summary of which is set out in “Summary of the constitution of the Company and Cayman Islands company law” in Appendix III to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“CAICT”	China Academy of Information and Communications Technology (中國信息通信研究院)
“Capital Market Intermediaries”	the capital market intermediaries as named in the section headed “Directors and Parties Involved in the Global Offering”
“Cayman Companies Act” or “Companies Act”	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

“China” or “the PRC”	the People’s Republic of China, and for the purposes of this document only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“CIC”	China Insights Industry Consultancy Limited (灼識行業諮詢有限公司), a market research and consulting company, an Independent Third Party
“CIC Report”	the report prepared by CIC
“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
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	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
“Company”, “our Company”, or “the Company”	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
“Conversion Adjustment”	has the meaning ascribed to it under the section headed “History, Reorganization and Corporate Structure—Pre-IPO Investments - 3. Rights of the Pre-IPO Investors” in this document

DEFINITIONS

“Conversion Adjustment Mechanism”	has the meaning ascribed to it under the section headed “History, Reorganization and Corporate Structure—Pre-IPO Investments - 3. Rights of the Pre-IPO Investors” in this document
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely the Onshore Holdco and its respective subsidiaries. For further details of these entities, see the section headed “History, Reorganization and Corporate Structure” in this document
“Contractual Arrangement(s)”	the series of contractual arrangements entered into between, among others, the WFOE, the Onshore Holdco and the Registered Shareholders, as detailed in the section headed “Contractual Arrangements”
“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
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
“FINI”	“Fast Interface for New Issuance,” an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for new listings
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Governmental Authority(ies)”	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether

DEFINITIONS

	national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the Consolidated Affiliated Entities from time to time, including where the context otherwise requires, any companies and businesses transferred to our Group as part of the Reorganization (as the case may be)
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC EIPO”	the application for Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is an HKSCC Participant to give electronic application instructions via FINI to apply for Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of the systems established, operated and/or otherwise provided by or through HKSCC (including FINI and CCASS) as from time to time in force
“HKSCC Participant(s)”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 21,121,000 Shares being initially offered for subscription in the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering”)
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus

DEFINITIONS

	brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) on the terms and subject to the conditions described in this document, as further described in the section headed “Structure of the Global Offering—The Hong Kong Public Offering”
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Takeovers Code” or “Takeovers Code”	Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering as listed in the section headed “Underwriting—Hong Kong Underwriters”
“Hong Kong Underwriting Agreement”	the underwriting agreement, dated December 1, 2025, relating to the Hong Kong Public Offering, entered into by, among others, the Joint Sponsors, the Overall Coordinators, the Hong Kong Underwriters and our Company, as further described in the section headed “Underwriting—Underwriting arrangements and expenses—Hong Kong Public Offering—Hong Kong Underwriting Agreement”
“HSG”	HSG Growth V Holdco C, Ltd.
“ICMALL”	ICMALL Ltd., a company which primarily engages in the sales of electronic components
“IFRS”	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
“International Offer Shares”	the 190,087,800 Shares being initially offered for subscription under the International Offering together, where relevant, with any additional Shares that may be sold pursuant to any exercise of the Over-allotment Option (subject to reallocation as described in the section headed “Structure of the Global Offering”)
“International Offering”	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States to QIBs only in reliance on Rule 144A or any

DEFINITIONS

	other available exemption from the registration requirements under the U.S. Securities Act, as further described in the section headed “Structure of the Global Offering”
“International Underwriters”	the underwriters of the International Offering
“International Underwriting Agreement”	the international underwriting agreement, expected to be entered into on or about December 9, 2025, relating to the International Offering, expected to be entered into by, among others, our Company and the International Underwriters, as further described in the section headed “Underwriting—International Offering”
“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 upon the Reorganization and including our Group prior to the Reorganization
“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 Share(s)”	Class A ordinary shares and Class B ordinary shares in the share capital of JD.com
“JD Shareholder(s)”	holder(s) of JD Shares and ADSs
“JD Technology”	Jingdong Technology Holding Co., Ltd. (京东科技控股股份有限公司), an associate of JD.com, a limited liability company established under the laws of the PRC on September 5, 2012 and converted into a joint stock limited company in June 2020
“JDI Spin-off”	the separate listing of our Shares on the Main Board, which is expected to be effected by way of the Global Offering
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors and Parties Involved in the Global Offering”

DEFINITIONS

“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering”
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering”
“Joint Sponsors”	the Joint Sponsors of the listing of the Shares on the Main Board of the Hong Kong Stock Exchange, being Merrill Lynch (Asia Pacific) Limited, UBS Securities Hong Kong Limited, Haitong International Capital Limited and Goldman Sachs (Asia) L.L.C.
“Joint Sponsor-Overall Coordinators”	the Joint Sponsor-Overall Coordinators of the listing of the Shares on the Main Board of the Hong Kong Stock Exchange, being Merrill Lynch (Asia Pacific) Limited, Haitong International Securities Company Limited and Goldman Sachs (Asia) L.L.C.
“Latest Practicable Date”	November 23, 2025, being the latest practicable date for ascertaining certain information in this document before its publication
“Laws”	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, orders, judgments, decrees, or rulings of any Governmental Authority (including, without limitation, the Stock Exchange and the SFC) of all relevant jurisdictions
“Listing”	the listing of the Shares on the Main Board
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about December 11, 2025 on which the Shares are to be listed and on which dealings in the Shares are to be first permitted to take place 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
“loss on redesignation of convertible preferred shares”	loss on redesignation of Series B Preference Shares from Series A-1 Preference Shares
“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
“Major Subsidiaries”	our subsidiaries and consolidated affiliated entities as identified in “History, Reorganization and Corporate Structure—Major Subsidiaries and Operating Entities”

DEFINITIONS

“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company conditionally adopted on November 27, 2025, with effect from the Listing Date
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as the Ministry of Information Industry)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NPC”	National People’s Congress (全國人民代表大會)
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage, SFC transaction levy, the AFRC transaction levy and Stock Exchange trading fee), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, to be determined as described in the section headed “Structure of the Global Offering—Pricing and Allocation”
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares together, where relevant, with any additional Shares to be sold by our Company pursuant to the exercise of the Over-allotment Option
“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, details of which are described in the section headed “Structure of the Global Offering—Over-allotment Option”

DEFINITIONS

“Overall Coordinator(s)”	the overall coordinators of the listing of the Shares on the Main Board of the Hong Kong Stock Exchange, being Merrill Lynch (Asia Pacific) Limited, UBS AG Hong Kong Branch, Haitong International Securities Company Limited, Goldman Sachs (Asia) L.L.C. and Huatai Financial Holdings (Hong Kong) Limited
“PBOC”	People’s Bank of China
“Post-IPO First Share Scheme”	the post-IPO first share scheme conditionally approved and adopted by our Company on November 27, 2025, the principal terms of which are set out in the section headed “Statutory and General Information—D. Share Incentive Plans—2. Post-IPO First Share Scheme” in Appendix IV to this document
“Post-IPO Second Share Scheme”	the Post-IPO second share scheme conditionally approved and adopted by our Company on November 26, 2025, the principal terms of which are set out in the section headed “Statutory and General Information—D. Share Incentive Plans—3. Post-IPO Second Share Scheme” in Appendix IV to this document
“PRC Legal Adviser”	Shihui Partners, our legal adviser on PRC law
“Pre-IPO ESOP”	the share incentive plan approved and adopted by our Company on December 30, 2021, the principal terms of which are set out in the section headed “Statutory and General Information—D. Share Incentive Plans—1. Pre-IPO ESOP” in Appendix IV to this document
“Pre-IPO Investment(s)”	the investments in our Company undertaken by the Pre-IPO Investors pursuant to the Series A Share Subscription Agreement, Series A-1 Share Subscription Agreement and Series B Share Subscription Agreement, as applicable, prior to this initial public offering, the details of which are set out in the section headed “History, Reorganization and Corporate Structure”
“Pre-IPO Investor(s)”	the investors as set out in the section headed “History, Reorganization and Corporate Structure—Pre-IPO Investments—5. Information on the Pre-IPO Investors”
“Pre-IPO Shareholders’ Agreement”	the shareholder agreement dated March 9, 2023 between, among others, our Company, Suzhou Yan Ji Network Technology Co., Ltd, JD Industrial Technology LLC and Pre-IPO Investors, as amended from time to time

DEFINITIONS

“Preference Shares”	Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares
“Price Determination Agreement”	the agreement to be entered into between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) at or about the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or about Tuesday, December 9, 2025 and in any event no later than 12:00 noon on Tuesday, December 9, 2025, on which the Offer Price is to be fixed for the purposes of the Global Offering
“Principal Share Registrar”	Maples Fund Services (Cayman) Limited
“QIB”	a qualified institutional buyer within the meaning of Rule 144A
“Registered Shareholders”	the registered shareholders of the Onshore Holdco, namely Mr. Qin Miao (繆欽), Ms. Yayun Li (李姪雲) and Ms. Pang Zhang (張雱)
“Regulation S”	Regulation S under the U.S. Securities Act
“Reorganization”	the corporate restructuring of the Group in preparation for the Listing, as described in the section headed “History, Reorganization and Corporate Structure—Reorganization”
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has now been merged into the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	State Administration of Taxation (國家稅務總局)
“Series A Preference Shares”	the series A preference shares of our Company with par value of US\$0.0000005 each, of which 230,000,000 Series

DEFINITIONS

	A preference shares are currently in issue as of the Latest Practicable Date and held by the Series A Preference Shareholders, each having the rights and restrictions as set forth in the Pre-IPO Shareholders' Agreement
“Series A Preference Shareholders”	GGV VII Investments, L.L.C., GGV VII Plus Investments, L.L.C., 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 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 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)), HSG, Pink Crystal China Fund, L.P. (formerly known as Skycus China Fund, L.P.), C-Open Education Investment Limited, 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)), Ningbo Xinli New Dynamic Equity Investment Partnership (Limited Partnership) (寧波新犁新動力股權投資合夥企業(有限合夥)), Beijing New Power Equity Investment Fund (Limited Partnership) (北京新動力股權投資基金(有限合夥)), and Welight Capital L.P.
“Series A Share Subscription Agreement”	Series A Preference Shares subscription agreement by and among the Company, JD Industrial Technology Limited, JD.com and each of the Series A Preference Shareholders (or their affiliates) dated as of April 24, 2020, as amended from time to time
“Series A-1 Preference Shares”	the series A-1 preference shares of our Company with par value of US\$0.0000005 each, of which 64,654,613 Series A-1 preference shares are currently in issue as of the Latest Practicable Date and held by the Series A-1 Preference Shareholders, each having the rights and restrictions as set forth in the Pre-IPO Shareholders' Agreement
“Series A-1 Preference Shareholders”	Domking Investment II, L.P., GGV VII Investments, Pte. Ltd., and GGV VII Plus Investments, Pte. Ltd.
“Series A-1 Share Subscription Agreement”	Series A-1 preference shares subscription agreements by and among the Company, JD Industrial Technology Limited, JD.com and each of the Series A-1 Preference Shareholders dated as of December 25, 2020 and January 4, 2021, as amended from time to time
“Series B Preference Shares”	the series B preference shares of our Company with par value of US\$0.0000005 each, of which 115,933,069 Series

DEFINITIONS

	B preference shares are currently in issue as of the Latest Practicable Date and held by the Series B Preference Shareholders, each having the rights and restrictions as set forth in the Pre-IPO Shareholders' Agreement
“Series B Preference Shareholders”	HSG, Expansion Project Technologies Holding SPV RSC Ltd, MIC Capital Management 23 RSC Ltd, The Prudential Assurance Company Limited and Alosa Limited
“Series B Share Subscription Agreement”	Series B preference shares subscription agreement by and among the Company, JD Industrial Technology Limited, JD.com and each of the Series B Preference Shareholders dated as of March 7, 2023, as amended from time to time
“Series Pre-A Preference Shares”	the series pre-A preference shares of our Company with par value of US\$0.0000005 each, of which 18,660,199 Series pre-A preference shares are currently in issue as of the Latest Practicable Date and held by the Series Pre-A Preference Shareholders, each having the rights and restrictions as set forth in the Pre-IPO Shareholders' Agreement
“Series Pre-A Preference Shareholders”	Welight Capital L.P. and JD Industrial Technology LLC
“SFC”	Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)” or “Ordinary 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)
“Share Incentive Plans”	the Pre-IPO ESOP, the Post-IPO First Share Scheme and the Post-IPO Second Share Scheme
“Stabilizing Manager”	Merrill Lynch (Asia Pacific) Limited, through its affiliates
“State Council”	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 in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules

DEFINITIONS

“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
“Track Record Period”	the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“U.S. SEC”	the Securities and Exchange Commission of the United States
“U.S. Securities Act”	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“United States”, “U.S.” or “US”	United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars”, “U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax
“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
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of the White Form eIPO Service Provider, www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“%”	per cent

Unless otherwise expressly stated or the context otherwise requires, all data in this document is as of the date of this document.

The English names of PRC entities, PRC laws or regulations, and PRC Governmental Authorities referred to in this document are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions, and may not be comparable to similar terms adopted by other companies.

“AI”	artificial intelligence
“BOM”	bill of materials, meaning parts and materials in process which are used in an original manufacturing process to compose final products; examples of product categories include (i) electronic components, and (ii) fasteners
“CAGR”	compound annual growth rate
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
“ERP”	enterprise resource planning
“general-purpose MRO product”	MRO products designed and manufactured for use in a wide range of industries and applications, typically standardized, meaning that they can be used in a variety of settings and are not customized for specific use cases; examples of product categories include (i) safety and security, (ii) cleaning and janitorial, (iii) handling, shipping, and storage, (iv) wires and cables, (v) welding supplies, (vi) tools, and (vii) personal protective equipment
“GMV”	gross merchandise value, referring to the total value of merchandise sold by or through us in a given period, excluding the value of returned goods in the same period
“IoT”	internet of things
“IT”	information technology
“key accounts”	demand-end participants accessing our services through designated digital procurement systems; key accounts are selected based on criteria such as business characteristics, industry of operation, and scale of operation
“key accounts dollar retention rate”	to calculate key accounts dollar retention rate in a given year, we first identify all key accounts in the year prior to a given year, and then derive the rate by calculating the quotient using the GMV generated from such key accounts in the given year as the numerator and the GMV generated from the same group of key accounts in the year prior to the given year as the denominator; key account dollar retention rate shall be viewed in combination with the number of key accounts in each year

GLOSSARY OF TECHNICAL TERMS

“manufacturers, distributors, and resellers”	supply-end participants to our business
“MRO”	maintenance, repair, and operations, meaning goods that support production or business operation, but do not become parts of the final products, which are used for either general purposes or professional purposes in specific industrial scenarios, covering a wide range of consumables and equipment categories
“professional MRO product”	MRO products used in professional use cases or for professional purposes by trained and specialized technicians and service providers who have expertise in specific areas; examples of product categories include (i) chemicals, (ii) lifting equipment, (iii) instruments, (iv) metalworking, (v) lab supplies, (vi) motors and power transmission, and (vii) mechanical equipment
“secondary industry”	mining, manufacturing, production and supply of electricity, heat, gas and water, and construction
“SKU”	stock-keeping unit
“SMEs”	small and medium enterprises identified through our invoicing system, who are demand-end participants accessing our services through mro.jd.com and vipmro.com
“third-party merchants”	supply-end participants on our marketplace

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events, or performance (often, but not always, through the use of words or phrases such as ‘will’, ‘expect’, ‘anticipate’, ‘estimate’, ‘believe’, ‘going forward’, ‘ought to’, ‘may’, ‘seek’, ‘should’, ‘intend’, ‘plan’, ‘projection’, ‘could’, ‘vision’, ‘goals’, ‘aim’, ‘aspire’, ‘objective’, ‘target’, ‘schedules’, and ‘outlook’) are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this document), uncertainties and other factors some of which are beyond our Company’s control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. We have made these statements with due care and have no reason to believe that the statements are not accurate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our operations and business prospects;
- our business and operating strategies and our ability to implement such strategies;
- our ability to develop and manage our operations and business;
- our ability to control costs and expenses;
- our ability to identify and satisfy customer needs and preferences;
- our ability to maintain good relationships with business partners;
- the actions and developments of our competitors;
- changes to regulatory and operating conditions in the industry and geographical markets in which we operate; and
- all other risks and uncertainties described in “Risk Factors.”

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

RISK FACTORS

An investment in our Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof and is subject to the cautionary statements in the section titled “Forward-looking Statements” of this document.

Risks Related to Our Business and Industry

We rely on JD Group and its associates to a certain extent. We may have different development prospects or conflicts of interest with JD Group and, because of JD Group’s controlling ownership interest in our Company, and may not be able to resolve such conflicts on favorable terms to us.

Our businesses capitalize and depend on JD Group and its associates to a certain extent, including the different types of services offered by JD Group and its associates to facilitate the marketing and implementation of our services. JD Group may from time to time make strategic decisions that it believes are in the best interests of its business and shareholders as a whole. These decisions may be different from the decisions that we would have made on our own.

As JD.com is one of the Controlling Shareholders, conflicts of interest may arise between us and JD Group in a number of areas relating to our ongoing relationships. Potential conflicts of interest that we have identified mainly include the following:

Agreements with JD Group and its associates. We have entered into agreements with JD Group and its associates (such as JD Logistics and JD Technology) with respect to material aspects of our operations and their continued cooperation with us (including marketing services, supply chain solutions and logistics services, technology and traffic support services, payment services, loyalty program, shared services, factoring services, sales of industrial products and use of IP). See the sections headed “Connected Transactions” and “Relationship with Our Controlling Shareholders” in this document for further details of such agreements. JD Group may use its control over us to prevent us from bringing a legal claim against JD Group and its associates in the event of a contractual breach, notwithstanding our contractual rights under the agreements and any other agreement we may enter into with the JD Group and its associates from time to time.

Employee recruiting and retention. Because both JD Group and we are operating in the internet industry in China, we may compete with JD Group in the hiring of employees.

Sales of Shares in our Company. JD Group may decide to sell all or a portion of the Shares in our Company it holds to a third party, including to one of our competitors, thereby giving that third party substantial influence over our business and our affairs. Such a sale could be contrary to the interests of our employees or our other Shareholders.

RISK FACTORS

Our Directors and employees may have conflicts of interest. Some of our Directors were also employees of JD Group. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for JD Group and us.

Although we will be a stand-alone public company after the Global Offering, we expect to operate, for as long as JD.com remains one of our Controlling Shareholders, as an affiliate of JD Group. As a Controlling Shareholder, JD.com may make decisions with respect to us or our business in ways that favor JD Group and its shareholders, which may not necessarily align with our interests and the interests of our other Shareholders. After we become a stand-alone public company, we will have an audit committee, consisting of independent non-executive Directors, to review and approve all proposed connected transactions as defined in the Listing Rules, including any transactions between us and JD Group and/or its associates. However, we may not be able to resolve all potential misalignments in interests, and even if we do so, the resolution may be less favorable to us than if we were dealing with an unconnected party. For further details as to how we address such conflicts, see the section headed “Relationship with Our Controlling Shareholders” in this document.

Any negative development with respect to our relationship with JD Group or negative publicity concerning JD Group and us may materially and adversely affect our business and brand.

We will continue to be controlled by JD Group after the Global Offering and will continue our substantial cooperation with JD Group in various aspects, including marketing services, supply chain solutions and logistics services, technology and traffic support services, payment services, loyalty program, shared services, factoring services, sales of industrial products and use of IP. If JD Group discontinues its cooperation with us, reduces, suspends or terminates any type of support to us, we will need to establish new collaborative relationships with other parties, or build or improve the resources and capabilities on our own.

If JD Group fails to continue its cooperation with us or provide relevant services to us, or conducts business or takes any action in a manner that is unfavorable or even detrimental to our interests, we may have to renegotiate with JD Group for the cooperation or support or attempt to approach other business partners as replacements, or build the capabilities on our own, which may be expensive, time-consuming and disruptive to our operations. If we are unable to maintain our relationship with JD Group, our business and operations could be severely disrupted, which could materially and adversely affect our results of operations and financial condition.

If JD Group loses its market position or suffers any negative publicity, it could have an adverse impact on our business, our marketing efforts, our relationships with strategic partners, our corporate reputation and brand. Furthermore, as the “JD” brand name is shared among the members of JD Group and us, if we or any of these entities or our or their respective directors, management personnel or other employees take any action that damages the “JD” brand name or its corporate image, or if any material negative publicity is associated with any of them, for example, as a result of regulatory investigations into, or other proceedings (including alleged or future securities class actions) involving, or wrongdoing or corruption or other practices engaged by, any such directors, management personnel or employees, our brand image and corporate reputation as well as our market value may be adversely affected.

In addition, we believe our brand image and corporate reputation will play an increasingly important role in enhancing our competitiveness and maintaining business growth. Many factors, some

RISK FACTORS

of which are beyond our control, may negatively impact our brand image and corporate reputation if not properly managed. These factors include our ability to provide superior solutions and services to our customers, successfully conduct marketing and promotional activities, manage relationship with/ among our customers, suppliers, third-party merchants and other business partners, and manage complaints and events of negative publicity, maintain positive perception of our Company, our peers and industrial supply chain technology and service market in general. Any actual or perceived deterioration of our solution and service quality, which is based on an array of factors including customer satisfaction, rate of complaint or rate of accident, could subject us to damages such as loss of important customers. Any negative publicity against us, our solutions and services, operations, directors, senior management, employees, business partners or our peers could adversely affect customer perception of our brand, cause damages to our corporate reputation and result in decreased demand for our solutions and services. If we are unable to promote our brand image and protect our corporate reputation, we may not be able to maintain and grow our customer base, and our business and growth prospects may be adversely affected.

Uncertainties relating to the growth and profitability of the evolving and dynamic industrial supply chain technology and service market could adversely affect our business, prospects and results of operations.

The industrial supply chain technology and service market is still in its early stage of development in China, which may not develop into the stage and scale we expect. We have 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 and subject to significant uncertainties. You should consider our business and prospects in light of the risks and challenges we currently encounter or may encounter given the rapidly evolving market in which we operate and our limited operating history. These risks and challenges include our ability to, among other things:

- respond to macroeconomic factors and economic development in connection with industrial sector, including price volatility, fiscal policy, employment rate, national income, as well as adverse news, scandals or other incidents associated with industrial sector;
- expand or optimize the product and service mix, sustain and improve the quality of industrial products and technology and other services and provide a satisfying customer experience;
- maintain and enhance our relationship and business collaboration with suppliers, customers, and warehousing and logistics service providers;
- attract new customers, retain existing customers and improve their spending, and expand our prospective customer base;
- develop and upgrade our offerings and services;
- operate our technology and other services effectively in response to evolving software platforms and technologies;
- enhance our technology infrastructure to support the growth of our business and maintain the security of our system;

RISK FACTORS

- navigate the evolving regulatory environment;
- withstand fluctuations in the supply and demand and prices of industrial products and related raw materials;
- compete effectively in the industrial supply chain technology and service market;
- manage our strategic investments and alliances; and
- defend ourselves against legal and regulatory actions.

If we or other players in the industrial supply chain technology and service market experience security incidents, loss of customer data, disruptions or other similar problems, the whole market may be negatively affected.

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. Such initiatives and enhancements may require us to incur significant operating and capital expenditures. Additionally, in developing our business strategy, 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 actual market, economic and other conditions may be different from our assumptions. As technology, customer behavior and market conditions continue to evolve, it is important that we maintain the relevance of our product and service offerings to our customers and innovate and adapt to changes and developments. If we are not able to successfully implement our business strategy and effectively respond to changes in market dynamics, our future operation performance and financial results may deteriorate.

Our business, financial condition and results of operations may be materially and adversely affected if we are unable to attract and retain customers and maintain satisfactory customer experience.

The success of our business depends on our ability to provide superior industrial supply chain technology and services to expand our customer base, which in turn depends on a variety of factors. These factors include our ability to offer a wide array of high-quality industrial products and services with great value for money, optimize the product and service offerings in response to the diverse and evolving demand of our customers, expand and maintain relationships with our customers and suppliers, offer timely and reliable fulfillment services, develop technology and other services and intelligent services and recommend suitable products and services to our customers, all of which will require us to incur substantial costs and expenses. If such costs and expenses fail to effectively translate into a larger customer base, we may not be able to achieve our business goals and our results of operations may be materially and adversely affected. Furthermore, our efforts to grow our customer base may not lead to immediate results with increased revenue but probably may have delayed effect on our financial performance. Even if they do, any increases in revenue may not offset the cost of revenue and the expenses incurred during the same period. If we are not successful in our efforts to retain existing customers, attract new customers and increase customer spending, our revenue may decline and our results of operations may be materially and adversely affected.

The expansion into new product categories and services may expose us to new challenges and more risks.

As our customer base and product and service offerings change over time, we must identify new products, product lines and services that respond to the evolving industry trends and customer

RISK FACTORS

needs. Our inability to introduce new products and services that meet customers' evolving demand and preferences, and effectively integrate them into our existing product and service mix could have a negative impact on future sales growth and our competitive position. Specifically, we may be less familiar with new products, new regions and new industries and may have limited or less up-to-date expertise and insights, which may make it more difficult for us to anticipate customer demand and preferences or to ensure the quality of products and services. We may not have much bargaining power over suppliers in new categories of products and we may not be able to negotiate favorable terms with suppliers or ensure stable supplies of these new product categories. We may need to price aggressively to gain market share or remain competitive in new categories. Furthermore, we may need to adjust our product and service mix from time to time in response to customers' evolving procurement demand. It may be difficult for us to achieve profitability in new product categories and our profit margin, if any, may be lower than we anticipate, which would adversely affect our overall profitability and results of operations. We cannot assure you that we will be able to recoup our investments in introducing these new product and service categories.

We are exposed to fluctuations and disruptions in the supply of, or demand for, industrial products, along with the conditions underlying such fluctuations and disruptions, which could adversely affect the trading volume and price of the industrial products.

The supply and demand for the industrial products derives from China's secondary industry and hence is heavily dependent on the overall development and performance in such industry. The volume of supply and demand for industrial products varies from time to time resulting from changes in resource availability, government policies and regulations, costs of production, demand from customers, technological developments and fluctuations. In the event that the supply of industrial products decreases or the price of raw materials of industrial products increases so that the price of industrial products increases, and that we are unable to pass on the entirety or a majority of such increase in costs to our customers, our financial performance may be adversely affected. If negative market and industry trends occur in the future, the price of industrial products could decrease, and our business and results of operations may be materially and adversely affected. As we further expand our business into global markets, we are also exposed to risks related to fluctuations in global production capacity and demand levels for industrial products, fluctuations in exchange rates and differences in tax systems, as well as global and regional economic, legal and political conditions.

Changes in the conditions underlying the supply of, and demand for, industrial products may also result in fluctuations in prices of the industrial products, which could adversely impact our results of operations and financial performance. These factors could include economic downturns, outbreaks of health epidemics, natural or human induced disasters, extreme weather, geopolitical unrest, tariffs (including new tariffs or tariff increases), trade issues and policies, detention orders or withhold release orders on imported products, labor problems experienced by our suppliers, transportation availability and cost, shortage of raw materials, unilateral product cost increases by suppliers of products in short supply, inflation and other factors.

If we fail to manage and expand our relationship with suppliers, or otherwise fail to procure products on favorable terms, our business and growth prospects may suffer.

We connect a large number of suppliers, which are manufacturers, distributors, and resellers of industrial products, to meet the needs of our customers. Maintaining relationships with these suppliers is important to the growth of our business. In particular, we depend on our ability to procure products

RISK FACTORS

from suppliers on favorable pricing terms. We have entered into supply agreements with suppliers for products under our digital procurement services. If we fail to maintain or renew these agreements on reasonable terms or enter into comparable agreements with new suppliers or manufacturers, our business and results of operations could be materially and adversely affected. For example, given the difficulty in policing the large amount of SKUs, if any supplier deems that we violated their sales channel, geography or other authorizations, or any other material contract terms, such suppliers may terminate relationships with us and sue us for any damages caused. Even if we maintain good relationships with our suppliers, their ability to supply products in sufficient quantity and at competitive prices may be adversely affected by economic conditions, labor actions, regulatory or legal decisions, customs and import restrictions, natural disasters, inflation or other causes beyond our control. Moreover, if our competitors provide more favorable contractual terms to the suppliers, the suppliers may prioritize their orders over ours and our product supplies may be affected.

In addition, if our suppliers cease to provide us with favorable payment terms, our requirements for working capital may increase and our operations may be materially and adversely affected. If we are unable to develop and maintain good relationships with suppliers that would allow us to obtain a sufficient amount and variety of authentic and quality products on acceptable commercial terms, it may inhibit our ability to offer sufficient products sought by our customers, or to offer these products at competitive prices. Any adverse developments in our relationships with suppliers could materially and adversely affect our business and growth prospects. Any disputes with suppliers could adversely affect our reputation and subject us to damages and negative publicity. In addition, as part of our growth strategy, we plan to further expand our product offerings. If we fail to attract new suppliers to sell their products to us due to any reason, our business and growth prospects may be materially and adversely affected.

We are subject to risks relating to the fulfillment of products.

We improve fulfillment efficiency through digitalization. However, the systems that our fulfillment digitalization is built upon are new and may not work the way as we or our suppliers or customers may expect. For further discussion, see “—The complex and innovative technologies we use for our industrial supply chain technology and services are new and require more time to prove their reliability and effectiveness.”

To optimize order fulfillment efficiency, we contract with third-party warehousing and logistics service providers to store and deliver a large portion of products. We plan to continue to partner with third-party warehousing and logistics service providers to use fulfillment facilities at additional locations to further enhance our ability to deliver products to customers and provide customized last-mile delivery service. Any inability to access sufficient services from such warehousing and logistics service providers, any increase in the price charged by such warehousing and logistics service providers, or any service disruption experienced by such warehousing and logistics service providers could have an adverse effect on our business operations. Also, we may not be able to enforce effective control over the logistic services provided directly by our suppliers or other third-party logistics providers, and our ability to conduct business and the quality of our services may be negatively affected. For associated risks, see “—We are reliant on third-party logistics service providers and warehousing service providers to meet the growing demand of our customers.”

Besides, we operate a number of fulfillment facilities and have deployed various types of new-generation digital facilities, such as lightweight front warehouses, Jinggong Cabinets, front warehouses,

RISK FACTORS

and intelligent mobile warehouses. As the demand for our products and services continues to increase, we will need to continue to invest in fulfillment infrastructure and facilities. As a result, our fulfillment network will become increasingly complex and challenging to operate. Moreover, the order density in new locations may not be sufficient to allow us to operate our own fulfillment network in a cost-efficient manner. We may not be able to recruit a sufficient number of professional employees in connection with the expansion of our fulfillment infrastructure. In addition, the expansion of our fulfillment infrastructure may strain our managerial, financial, operational and other resources. If we fail to manage such expansion successfully, our growth potential, business and results of operations may be materially and adversely affected.

Our fulfillment facilities may be vulnerable to damages caused by fire, flood, power outage, telecommunications failure, break-ins, earthquake, human error and other events. If any of our fulfillment facilities were to operate at a lower capacity or rendered incapable of operations, we may be unable to fulfill any orders in a timely manner or at all that rely on that fulfillment facility. In addition, those events that could damage our fulfillment facilities, such as fire and flood, may also result in damages to our inventories, and in such event, we would incur losses as a result. We do not maintain business interruption insurance in connection with our distribution centers and local fulfillment services centers, and the occurrence of any of the foregoing risks could have a material adverse effect on our business, prospects, financial condition and results of operations.

If we fail to improve and enhance the functionality, performance, reliability, design, security and scalability of our business model, our business may be adversely affected.

The industrial supply chain technology and service market in China in which we operate is characterized by constant change and innovation and we expect it to continue to evolve rapidly. Our success has been based on our ability to identify and anticipate the needs of our customers and suppliers, design and maintain our systems and services that help them make industrial product procurement transparently and efficiently. Our ability to attract new customers, retain existing customers and improve customer spending will depend in large part on our ability to continue to improve and enhance the functionality, performance, reliability, design, security and scalability of our business model and to innovate and introduce new solutions. If we fail to anticipate customers' rapidly changing needs and expectations or adapt to emerging trends, our market share and operating results and financial condition could suffer.

Furthermore, as the number of our customers, suppliers and third-party merchants with higher transaction volume increases, the need for us to offer increased functionality, scalability and support will increase accordingly, which requires us to devote additional resources to such efforts. To the extent we are not able to enhance our systems' functionality in order to maintain their utility, enhance our marketplace's scalability in order to maintain their performance and availability, or improve our support function in order to meet increased demand, our business, operating results and financial condition could be adversely affected.

We are reliant on third-party logistics service providers and warehousing service providers to meet the growing demand of our customers.

We and third-party merchants may use logistics services and warehousing services provided by third parties, which we have no control over, to serve customers. If products are not delivered on time or are delivered in a damaged state which we failed to detect, customers may refuse to accept the

RISK FACTORS

products and hold less confidence in us. Furthermore, our logistics personnel or the logistics personnel of third parties act on our behalf and interact with our customers personally in some cases. Any failure to provide high-quality service to our customers may negatively impact the experience of our customers, damage our reputation, and affect our ability to retain customers. We may face claims raised by our customers that we may be held liable for any losses and damages arising therefrom. As a result, our reputation, business, financial condition and results of operations might suffer significantly.

We believe we have good business relationships with third-party logistics service providers and warehousing service providers. However, there can be no assurance that we will be able to maintain such good relationships or renew our agreements with them on commercially reasonable terms, if at all. If we fail to continue our cooperation with such service providers, or if their business or operations are interrupted or fail, and we fail to find comparable alternatives on reasonable terms, our business may be materially and adversely affected. Currently, a substantial part of our logistics and warehousing services are provided by JD Logistics. Our business may be adversely affected, if we are unable to maintain good relationship with JD Logistics. Besides, JD Logistics is a consolidated subsidiary of JD.com, one of our Controlling Shareholders, and thus we may have conflict of interest with JD Logistics and may not be able to resolve potential conflicts with JD Logistics on favorable terms to us. For example, JD Group may use its control over us to prevent us from bringing a legal claim against JD Logistics in the event of a contractual breach. For associated risks, see “—We rely on JD Group and its associates to a certain extent. We may have different development prospects or conflicts of interest with JD Group and, because of JD Group’s controlling ownership interest in our Company, and may not be able to resolve such conflicts on favorable terms to us.”

In addition, vehicles and personnel of third-party logistics service providers we engage may be involved in transportation accidents, and the products carried by them may be lost, damaged, destroyed. In addition, friction or disputes may arise from direct interactions between logistics service providers’ pickup and logistics personnel with senders and recipients. Personal injuries or property damages may arise if such incidents escalate.

Our marketplace is subject to risks associated with third-party merchants.

We rely on third-party merchants to offer products over our marketplace and pay us commissions on their sales as well as platform usage fees under our marketplace model. Under our marketplace model, we do not have as much control over the products sold as we do over the products that we sell under our digital procurement services. If any third-party merchant does not control the quality of the products that it sells on our marketplace, conducts false advertisements, sells counterfeit or unlicensed products, or sells products without licenses or permits as required by the relevant laws and regulations even though we have requested such licenses or permits in our standard form contract with the third-party merchant, our reputation and brand may be materially and adversely affected and we could face claims to hold us liable for the losses. Additionally, the quality of the products may also be affected adversely if any third-party merchants manage to circumvent our merchant vetting or inspection system. In addition, the dynamics and requirements for our marketplace model may not be the same as those for our digital procurement services, which may complicate the management of our business. In order for our marketplace business to be successful, we must continue to identify and attract high-quality third-party merchants, and we may not be successful in this regard.

RISK FACTORS

We may incur liability or become subject to administrative penalties or suffer damage to our brand or reputation for counterfeit, substandard or unauthorized products sold, or for products sold on or content posted that infringe on third-party intellectual property rights, or for other misconduct.

We source our products from various suppliers. Third-party merchants on our online marketplace are separately responsible for sourcing the products they sell. We may not always be successful in adopting measures to verify the authenticity and authorization of products sold and avoid potential infringement of third-party intellectual property rights in the course of sourcing and selling products.

In the event that counterfeit, substandard, unauthorized or infringing products are sold or infringing content is posted, we could face claims that we are held liable. Irrespective of the validity of such claims, we could incur significant costs and efforts in either defending against or settling such claims. If there is a successful claim against us, we might be required to pay substantial damages or refrain from further sale of the relevant products. Potential liability under PRC law if we negligently participated or assisted in infringement activities associated with counterfeit goods includes injunctions to cease infringing activities, rectification, compensation, administrative penalties and even criminal liability. Moreover, such third-party claims or administrative penalties could result in negative publicity and our reputation could be severely damaged. Any of these events could have a material and adverse effect on our business, results of operations or financial condition. In addition, we could be subject to regulatory actions if we fail to timely file with relevant authorities on our sales of special industrial products or carry out relevant inspection or recording requirements.

Under our standard form agreements, we require suppliers or third-party merchants to indemnify us for any losses we suffer or any costs that we incur due to any counterfeit, substandard, unauthorized or infringing products we source from these suppliers or any products sold by these third-party merchants. However, not all of our agreements with suppliers and third-party merchants have such terms, and for those agreements that have such terms, we may not be able to successfully enforce our contractual rights or fully recover our losses and may need to initiate costly and lengthy legal proceedings to protect our rights.

We are subject to risks relating to third-party online payment platforms.

We accept payments using a variety of methods, including bank transfers and online payments through third-party online payment platforms. In all these online payment transactions, secured transmission of confidential information such as paying customers' credit card numbers and personal information over public networks is essential to maintaining customers' trust and confidence on our platform.

We do not have control over the security measures of our third-party online payment platforms. Any security breaches of the online payment systems that we use could expose us to litigation and possible liability for failing to secure confidential customer information and could, among other things, damage our reputation and the perceived security of all of the online payment systems that we use. If a well-publicized internet or mobile network security breach were to occur, customers may become reluctant to purchase products and services on our platform even if the publicized breach did not involve payment systems or methods used by us. In addition, there may be billing software errors that would damage customer confidence in these online payment systems. If any of the above were to occur and damage our reputation or the perceived security of the online payment systems we use, we may lose paying customers, and customers may be discouraged from purchasing products and services on our platform, which may have a material adverse effect on our business.

RISK FACTORS

In addition, there are currently only a limited number of reputable third-party online payment platforms. If any of these major payment systems decides to cease to provide services to us, or significantly increase the service fees they charge us for using their payment systems for products and services on our platform, our results of operations may be materially and adversely affected.

If we fail to manage inventory effectively, our results of operations and financial condition may be materially and adversely affected.

We adopt an asset-light model under which we leverage the inventory of various suppliers by digitalizing and integrating system data from suppliers and customers and digitalizing the sourcing and matching process. In addition, we hold a limited portion of our own inventory to supplement our customers' immediate and on-time fulfillment needs. We rely on our demand forecasts for various kinds of products to make product assortment decisions and to manage our inventory and the inventory from suppliers that we could leverage. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our inventory turnover days attributable to continuing operations were 17.9 days, 13.8 days, 14.8 days and 23.1 days, respectively. Demand for products, however, can change between the time inventory is ordered and the date by which we expect to sell it. Demand may be affected by macroeconomic environment, seasonality, new product launches, changes in production cycles and pricing, defects, changes in customer needs with respect to our industrial products and other factors, and our customers may not order products in the quantities that we expect. In addition, when we begin to sell a new product, it may be difficult to establish supplier relationships, determine appropriate product selection, and accurately forecast demand. As we plan to continue to expand our product offerings, we expect to include more products in our inventory, which will make it more challenging for us to manage our inventory effectively and will put more pressure on our warehousing system.

If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. As of December 31, 2022, 2023 and 2024 and June 30, 2025, the carrying amount of our inventories amounted to RMB607.0 million, RMB510.5 million, RMB896.9 million and RMB1.2 billion, respectively, and the impairment provision of our inventories amounted to RMB1.6 million, RMB3.6 million, RMB8.2 million and RMB9.4 million, respectively. High inventory levels may also require us to commit substantial capital resources, preventing us from using that capital for other important purposes. On the other hand, if we underestimate the demand for products, or if our suppliers fail to supply quality products in a timely manner, we may experience inventory shortages, which might result in missed sales, diminished brand loyalty and lost revenue, any of which could harm our business and reputation. Any of the above may materially and adversely affect our results of operations and financial condition.

We are in the ramp-up stage of development with a relatively limited independent operating history, and our historical results of operations and financial performance are not indicative of future performance.

We experienced significant growth in revenue during the Track Record Period. Our total revenue from continuing operations increased by 22.6% from RMB14.1 billion in 2022 to RMB17.3 billion in 2023 and further increased by 17.7% to RMB20.4 billion in 2024, and increased by 18.9% from RMB8.6 billion for the six months ended June 30, 2024 to RMB10.3 billion for the six months ended June 30, 2025.

Due to our limited independent operating history, our historical results of operations and financial performance may not be indicative of our future performance. In addition, we cannot assure

RISK FACTORS

you that we can continue to operate under our existing business model successfully. As the market and our business evolve, especially if we expand into overseas markets, we may modify our operations, data and technology, sales and marketing, solutions and services. These changes may not achieve expected results and may have a material and adverse impact on our results of operations and financial condition. We expect our expenses to continue to increase in the future as we expand our business. Our expenses may grow faster than our revenue, and our expenses may be greater than we expected. We cannot assure you that we will be able to achieve similar results or growth as we did in the past or at all. Rather than relying on our historical operating and financial results to evaluate us, you should consider our business prospects in light of the risks and difficulties we may encounter as a company in its ramp-up stage of development and operating in emerging and dynamic industries, including, among other factors, our ability to attract and retain customers, our ability to create value for participants in our ecosystem and increase monetization, our ability to navigate in the evolving regulatory environment, our ability to provide high-quality and satisfactory services and solutions, our ability to build up our reputation and promote our brand, and our ability to anticipate and adapt to changing market conditions. We may not be able to successfully address these risks and difficulties, which could significantly harm our business, results of operations and financial condition.

We incurred net losses and accumulated losses in the past and our profitability in the future may be affected by numerous factors beyond our control.

In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, we recorded a net loss of RMB1.3 billion, a net profit of RMB4.8 million, a net profit of RMB761.6 million, a net profit of RMB291.2 million, and a net profit of RMB451.3 million, respectively. The net losses recorded in 2022 were primarily attributable to a continuous increase in the fair value of our Preference Shares as a result of an increase in our equity value. Besides, we recorded accumulated losses of RMB2.4 billion, RMB2.5 billion, RMB1.8 billion and RMB1.3 billion as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. The impact of fair value changes of our Preference Shares on our results of operations is expected to continue for the year ending December 31, 2025.

Our costs and expenses will likely increase in the future as we expect to expand our technology infrastructure, enhance our industrial supply chain capabilities, develop and launch new product and service offerings, expand customer base in the existing market and penetrate into new markets, and continue to invest and innovate in our systems and services. Any of these efforts may incur significant capital investment and operating expenses, and result in fluctuations in financial condition. In addition, these efforts may be more costly than we expect and may not result in increased revenue or business growth as expected.

In addition, our ability to maintain or achieve profitability also depends on our ability to improve our market position and profile, enhance and expand our product and service offerings, maintain competitive pricing, improve our operational efficiency and obtain required financing at reasonable terms, which may be affected by numerous factors beyond our control. If we are unable to generate adequate revenue growth and manage our costs and expenses, we may not be able to maintain or achieve profitability or positive operating cash flow on a consistent basis, which may impact our business growth and adversely affect our financial condition and results of operations.

RISK FACTORS

We have factoring arrangement with JD Technology, and any failure to obtain credit under the factoring arrangement could impact our liquidity.

Our key accounts constitute creditworthy corporate customers who make bulk purchases, resulting in trade receivables on our balance sheet. We have entered into a factoring arrangement with JD Technology, under which we sell the trade receivables from our key accounts to JD Technology. Such arrangement enables us to receive early payments and deploy the capital elsewhere.

However, JD Technology has no obligation to purchase the full amount of trade receivable balances that we offer to sell, and there can be no assurance that JD Technology will continue to purchase trade receivables at the same levels as it has in the past. If JD Technology determines in its sole discretion to decrease the amount it advances under the factoring arrangement or to terminate the factoring agreement entirely and we are unable to obtain a replacement source of credit on substantially similar terms in a timely manner, or at all, it would impact our liquidity, which would likely have an adverse effect on our business, operating results, and financial condition.

We have a large balance of goodwill and we may incur significant impairment charges which could materially impact our financial position.

We record goodwill primarily in connection with acquisitions. Our goodwill remained stable at RMB417.8 million as of December 31, 2022, 2023 and 2024 and June 30, 2025.

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires us to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The estimation of the expected future cash flows could change significantly should the cash-generating units fail to sustain the estimated growth. There are inherent uncertainties related to these factors and to our judgment in applying these factors to the assessment of goodwill recoverability. Our management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of market developments. Our Directors determined impairment of goodwill directly related to ICMALL amounting to RMB254.3 million in 2022. We cannot assure you that there will be no impairment losses in the future. In particular, the failure to generate financial results commensurate with our intangible assets or goodwill estimates may adversely affect the recoverability of such intangible assets or goodwill, and in turn result in impairment losses. As we carry a substantial balance of intangible assets and goodwill, any significant impairment losses charged against our intangible assets or goodwill could have a material adverse effect on our business, financial condition and results of operations.

We have granted, and may continue to grant options, restricted share units and other types of awards under our Share Incentive Plans, which may result in increased share-based payment expenses.

We have adopted Share Incentive Plans to provide additional incentives to employees, directors and consultants. We recorded an aggregate of RMB183.1 million, RMB297.3 million, RMB125.2 million, RMB80.7 million and RMB50.6 million for the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively, in share-based payment expenses. We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based

RISK FACTORS

awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations and financial performance.

Our results of operations, financial condition and prospects have been adversely affected by fair value changes of financial instruments, in particular, by fair value changes in our convertible preferred shares.

During the Track Record Period, we had outstanding convertible preferred shares, which were designated as financial liabilities at fair value through profits or losses. Their fair value is determined using valuation techniques. The assessment of fair value of our convertible preferred shares requires the use of unobservable inputs including discount rate, discount of lack of marketability and expected volatility. We use our judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the respective valuation dates. These valuation methodologies that we use involve a significant degree of management judgment and are inherently uncertain. Changes in these unobservable inputs and other estimates and judgments could materially affect the fair value of our convertible preferred shares, which in turn may adversely affect our results of operations. In 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, we recognized net fair value losses in convertible preferred shares of RMB1,915.7 million, RMB530.3 million, RMB47.6 million, RMB9.1 million and RMB4.5 million, respectively. As of December 31, 2022, 2023 and 2024 and June 30, 2025, the carrying amount of convertible preferred shares amounted to RMB5,621.8 million, RMB7,503.9 million, RMB7,663.8 million and RMB7,636.5 million, respectively. We expect continued fluctuation of the fair value of our convertible preferred shares will affect our financial performance until the Listing Date, upon which all the convertible preferred shares will automatically convert into our Shares. After the automatic conversion of the convertible preferred shares into Shares upon the Listing, we do not expect to recognize any further loss or gain on fair value changes from the convertible preferred shares in the future.

In addition, we are subject to risks associated with the fair value change of our non-current financial assets at fair value through profit or loss (“FVTPL”). Our non-current financial assets at fair value through profit or loss amounted to RMB791.2 million, RMB712.9 million, RMB553.6 million and RMB527.4 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively, primarily in connection with our equity investment in certain investees. In 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, we recognized fair value changes of equity investments in unlisted entities measured as financial assets at FVTPL of RMB46.1 million, RMB78.4 million, RMB159.3 million, RMB134.8 million and RMB26.2 million, respectively. We use unobservable inputs, primarily expected volatility, to assess the fair value of the financial assets. We use our judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the respective valuation dates. These valuation methodologies that we use involve a significant degree of management judgment and are inherently uncertain. Changes in these unobservable inputs and other estimates and judgments could materially affect the fair value of our non-current financial assets at fair value through profit or loss, which in turn may adversely affect our results of operations.

We recorded net liabilities as of December 31, 2022 and 2023.

We had net liabilities of RMB749.4 million and RMB342.5 million as of December 31, 2022 and 2023, respectively, primarily due to change in fair value of convertible preferred shares. Our

RISK FACTORS

Preference Shares will be automatically converted into ordinary shares upon the completion of the Global Offering, and will therefore be re-designated from financial liabilities to equity on our consolidated statements of financial position. If we fail to generate sufficient revenue from our operations, or if we fail to maintain sufficient cash and financing, we may not have sufficient cash flows to fund our business, operations and capital expenditure and our business and financial position will be adversely affected.

We might not be able to fulfil our obligation in respect of contract liabilities, which might have impact on our cash and liquidity positions.

Contract liabilities represents our obligation to provide services to customers for which we have received advance payments. We recorded RMB353.8 million, RMB228.5 million, RMB238.3 million and RMB207.4 million in contract liabilities as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively.

Our Directors expect that the majority of the contract liabilities as of June 30, 2025 will be recognized as revenue within one year. However, there is no assurance that we will be able to fulfil all of our obligations in respect of our contract liabilities as the completions of services for our customers are subject to various factors, including the unexpected violations by our suppliers. If we are not able to fulfil our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue, and we may have to return the advance payments made by our customers or provide alternative compensation for the advance payments due to our customers. As a result, our results of operations, liquidity and financial position may be adversely affected.

Our results of operations, financial condition and prospects may be adversely affected by the recoverability of our trade and note receivables.

Our trade and note receivables consist of outstanding amounts payable by third parties or related parties. Our trade and note receivables increased by 60.7% from RMB45.5 million as of December 31, 2022 to RMB73.0 million as of December 31, 2023, increased by 50.1% from RMB73.0 million as of December 31, 2023 to RMB109.6 million as of December 31, 2024, and increased by 7.6% from RMB109.6 million as of December 31, 2024 to RMB118.0 million as of June 30, 2025. As of December 31, 2022, 2023 and 2024 and June 30, 2025, the balance of expected credit loss of our trade receivables amounted to RMB5.6 million, RMB4.9 million, RMB8.7 million and RMB5.8 million, respectively. Our trading terms with some of our customers are on credit. We typically allow a credit period of 30 to 180 days for key accounts. Trade receivables are settled in accordance with the terms of the respective contracts. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our trade and note receivable turnover days attributable to continuing operations were 1.2 days, 1.2 days, 1.6 days and 2.0 days, respectively. See “Financial Information—Discussion of Certain Key Items of Consolidated Statements of Financial Position—Current Assets/Liabilities—Trade and note receivables” for more details. Credit risk for trade and note receivables arises when our customers default on their contractual obligations resulting in financial losses to our Company. We cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our customers before entering into agreements or extending credit terms, neither can we guarantee that each of these customers will be able to strictly follow and enforce the payment schedules provided in the agreements. Any inability of our customers to pay us in a timely manner may adversely affect our liquidity and cash flows, which in turn would have a material adverse effect on our business operations and financial condition.

RISK FACTORS

Our delivery, return and exchange policies may materially and adversely affect our results of operations.

We have adopted shipping policies that do not necessarily pass the full cost of shipping on to our customers. We also have adopted customer-friendly return and exchange policies that make it convenient and easy for customers to change their minds after completing purchases. We may also be required by law to adopt new or amend existing return and exchange policies from time to time. We believe that these policies improve customers' transaction experience and promote customer loyalty, which in turn helps us acquire and retain customers. However, these policies may also subject us to additional costs and expenses which we may not recoup through increased revenue. Our ability to handle a large volume of returns is unproven. If our return and exchange policy is misused by a significant number of customers, our costs may increase significantly and our results of operations may be materially and adversely affected. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in loss of existing customers or failure to acquire new customers at a desirable pace, which may materially and adversely affect our results of operations.

Our pricing decisions may not be optimal and may adversely affect our financial performance.

We have changed our pricing model or fee rate from time to time for products we sell and services we provide to our customers and expect to do so in the future. If our pricing model or fee rate is not optimal, it may result in our products and services not being profitable or not gaining market share. As competitors introduce new products and services that compete with ours, we may be unable to attract new suppliers and customers at the same price or based on the same pricing models as we have used historically. Pricing decisions may also impact the mix of our products and services and negatively impact our overall revenue. As a result, in the future we may be required to reduce our selling prices, which could adversely affect our revenue, gross profit, profitability, financial position and cash flows.

Volatility in commodity prices and changes in energy costs and the cost of raw materials used in the products sold may adversely affect gross margins and our results of operations.

Some of the products sold contain significant amounts of commodity-priced materials and are subject to price changes based on fluctuations in the commodities market. The price of commodities has historically been subject to substantial volatility, which, among other things, could be driven by economic, monetary, political or weather-related factors. Fluctuations in the price of fuel or increased demand for freight services, including as a result of outbreaks of health epidemics, the Russia-Ukraine war and the geopolitical tensions in the Middle East, could affect transportation costs. Our ability to pass on such increases in costs in a timely manner depends on market conditions. The inability to pass along cost increases could result in lower gross margins. In addition, higher prices could reduce demand for these products, resulting in lower spending.

In addition, costs of raw materials used in the products sold and energy costs can fluctuate significantly over time. Increases in these costs result in increased production costs for our suppliers. These suppliers typically look to pass their increased costs along to us through price increases. While we typically try to modify our pricing or other activities to address the impact, we may not be successful, particularly if supplier prices or fuel costs rise rapidly. Failure to address any such increased prices and costs would have an adverse effect on our operating income. While increases in the cost of fuel or raw materials could be damaging to us, decreases in those costs, particularly if

RISK FACTORS

severe, could also adversely impact us by creating deflation in selling prices, which could cause our gross profit to decline, or by negatively impacting customers in certain industries, which could cause our sales to those customers to decline.

We face risks associated with having a long selling and implementation cycle for certain of our solutions and services that require us to make significant resource commitments prior to realizing revenue for those solutions and services.

We may experience a long selling cycle for certain of our solutions and services. Before potential customers commit to use our services, they require us to expend substantial time and resources educating them on the value of our services and our ability to meet their requirements. Therefore, our selling cycle is subject to many risks and delays over which we have little or no control, including our customers' decision to select another service provider or in-house resources to perform the services, the timing of our customers' budget cycles, and customer procurement and approval processes. If our sales cycle unexpectedly lengthens for one or more large projects, it could negatively affect the timing of our revenue and our revenue growth. In certain cases, we may begin work and incur costs prior to executing a contract, which may cause fluctuations in recognizing revenue between periods or jeopardize our ability to collect payment.

Implementing our services may also involve a significant commitment of resources over an extended period of time from both our customers and us. Our current and future customers may not be willing or able to invest the time and resources necessary to implement our services, and we may fail to close sales with potential customers despite devoting significant time and resources to them. Any significant failure to generate revenue or delays in recognizing revenue after incurring costs related to our sales or service processes could have a material adverse effect on our business.

The complex and innovative technologies we use for our industrial supply chain technology and services are new and require more time to prove their reliability and effectiveness.

We regard technology as critical to our ability to provide high-quality customer services. We have invested substantial resources in developing our complex and innovative technology systems that we use for our daily operations and to provide our technology and other services. We expect these technologies to support the smooth performance of certain key functions in our transaction systems, such as searching for industrial products, making and matching orders online and finding suitable logistics information and warehousing. We also expect our technologies to facilitate our customers' timely and accurate access of information relating to industrial product procurement services. We cannot assure you that the performance of our technologies will be stable enough to support these technology and other services. In addition, as we have been upgrading our technology systems, it will take time to finish this upgrade and solidify a reputation for reliability and effectiveness among our customers. To adapt to evolving and increasingly demanding customer requirements and emerging industry standards, we may need to develop other new technologies or to upgrade our systems, mobile applications and systems. If our efforts to invest in the development of new technologies are unsuccessful, our business, financial condition and results of operations may be materially and adversely affected.

In addition, the maintenance and processing of various operating and financial data are essential to the day-to-day operation of our business and formulation of our development strategies. Therefore, our business operations and growth prospects depend, in part, on our ability to maintain and make timely and cost-effective enhancements and upgrades to our technology and to introduce innovative additions which can meet changing operational needs. While continuing to invest in

RISK FACTORS

technology to enhance operational efficiency and reliability is one of our growth strategies, our current level of expenditure may not be sufficient to fully support our business operations and expansion needs. Failure to do so could cause economic losses and put us at a disadvantage to our competitors. There is no assurance that we will be able to keep up with technological improvements or that the technology developed by others will not render our services less competitive or attractive.

We are highly reliant on our technology infrastructure and systems in our business operations, and failure to continue to improve and effectively utilize our technology infrastructure and systems or fully monetize and realize the benefits from new technologies could harm our business operations, reputation and prospects.

Technology is critical to our industrial supply chain technology and service businesses. While we have been continuously enhancing our technology infrastructure, we may not be able to continue to improve our technology capabilities and develop new technologies to meet the future needs of our business. If we are unable to maintain, improve and effectively utilize our technologies or to realize the expected results from our R&D investment, our business, financial condition, results of operations and prospects, as well as our reputation, could be materially and adversely affected. Any problem with the functionality and effectiveness of our software or systems could also result in unanticipated system disruptions, slower response times, delays in reporting accurate operating and financial information among other things. In addition, enhancing our technology infrastructure requires significant investment of time and financial and managerial resources, including recruiting and training new technology personnel, adding new hardware and updating software and strengthening research and development. If our technology investments are unsuccessful, our business could suffer and we may be unable to recover the resources we commit to such initiatives.

In addition, to keep pace with changing technologies and customer demand, we must correctly interpret and address market trends and enhance the features and functionality of our technology infrastructure and systems in response to these trends, which may lead to significant ongoing research and development costs. We may be unable to accurately determine the needs of our customers and the trends in industrial supply chain technology and service market or to design and implement the appropriate features and functionality of our technology infrastructure and systems in a timely and cost-effective manner, which could result in decreased demand for our solutions and services and a corresponding negative impact on our financial performance. We may be unable to detect defects in existing or new versions of our proprietary technologies, or errors may arise in our technologies. Any failure to identify and address such defects or errors could result in loss of revenue or market share, liability to customers or others, diversion of resources, damage to our reputation, and increased service and maintenance costs. Correction of such errors could be very costly, and responding to resulting claims or liability could similarly involve substantial cost.

Moreover, we may not be able to fully monetize and realize the benefits of the technology capabilities we develop. First, our technology capabilities may not be commercially viable for an indefinite amount of time or at all, or may not result in adequate return of capital on our investments. Second, unidentified issues may not be discovered in the development stage of our new technologies, which could cause us to fail to realize the anticipated benefits and incur unanticipated costs. If our technologies suffer unanticipated or atypical failures that were not anticipated in the design stage, our cost may materially increase, which may adversely impact our operating results. Third, to the extent that our customers decide not to accept our upgraded technology capabilities until there is more performance history for our upgraded technology capabilities, our operating results may be adversely impacted.

RISK FACTORS

We may fail to successfully enter into necessary or desirable strategic alliances or make acquisitions or investments, and we may not be able to achieve the anticipated benefits from these alliances, acquisitions or investments we make.

We may evaluate and consider strategic investments and acquisitions or enter into strategic alliances to develop new services or solutions and enhance our competitive position. We have in the past invested in or acquired businesses that are complementary to our existing business. Investments or acquisitions involve numerous risks, including potential failure to achieve the expected benefits of the integration or acquisition; difficulties in, and the cost of, integrating operations, technologies, services and personnel; potential write-offs of acquired assets or investments; downward effect on our operating results; and potential risk of administrative penalties. For associated risks, see also “—We have a large balance of goodwill and we may incur significant impairment charges which could materially impact our financial position” and “—PRC regulations establish procedures and requirements for some acquisitions of Chinese companies by foreign investors, which could make it difficult for us to pursue growth through acquisitions in China.” These transactions will also divert the management’s time and resources from our normal course of operations, and we may have to incur unexpected liabilities or expenses. We may also in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with potential leakage of proprietary information, non-performance by the counterparty and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business.

In addition, if we do not successfully execute or effectively operate, integrate, leverage and grow acquired businesses, our financial results and reputation may suffer. Our strategy for long-term growth, productivity and profitability depends in part on our ability to make prudent strategic investment or acquisition decisions and to realize the benefits we expect when we make those investments or acquisitions. While we expect our past and future acquisitions to enhance our value proposition to customers and improve our long-term profitability, there can be no assurance that we will realize our expectations within the time frame we envisage, if at all, or that we can continue to support the value we allocate to these acquired businesses, including their goodwill or other intangible assets.

We may require additional financing to support our further developments or adapt to changes in business conditions, but we may not be able to obtain additional financing on favorable terms or at all.

We may require additional financing if we incur operating losses or for future growth and development of our business, including any investments or acquisitions we may decide to pursue in China or overseas markets. If our financing is insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of factors, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets and foreign investment related regulations and the industry we operate in. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing would be available in a timely manner or in amounts or on terms favorable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in dilution to our existing shareholders.

RISK FACTORS

Our business and results of operations are subject to seasonal fluctuations and unexpected interruptions.

We experience seasonality in our business, primarily because of seasonal fluctuations in customer procurement demand. Given seasonal concentration of industrial activities and Chinese industrial enterprises' general procurement pattern, our customers' demand in the procurement of industrial products is typically the highest in the fourth quarter of each calendar year and the lowest in the first quarter. We expect the impact of seasonality on our business to continue in the future. However, due to our limited operating history, the seasonal trends that we have experienced in the past may not apply to, or be indicative of, our future operating results. Fluctuations due to seasonality may materially and adversely affect the predictability of our results of operations.

Any lack of requisite approvals, licenses, permits or filing applicable to our business operation may have a material and adverse impact on our business, financial condition and results of operations.

We are required to hold a number of licenses and permits in connection with our business operation, including, among others, the Value-Added Telecommunication License. Value-added telecommunication business operating licenses for provision of internet information services and online data processing and transaction processing services are essential to the operation of our business in China. We cannot assure you that we can successfully obtain, update or renew the licenses, permits or filings required for our business in a timely manner or that these licenses, permits or filings are sufficient for us to conduct all of our present or future business.

During the Track Record Period, we have not been subject to material penalties or other material disciplinary action from the relevant governmental authorities regarding the conducting of our business without the requisite approvals, licenses, permits and filings. However, we cannot assure you that the relevant governmental authorities would not require us to obtain the approvals, certificates or permits, complete filings or take any other actions against our past behavior in the future. If the relevant governmental authorities require us to obtain the approvals, licenses or permits, or to complete filings, we cannot assure you that we will be able to do so in a timely manner or at all.

New laws and regulations may be enforced from time to time to require additional licenses and permits other than those we currently have or provide additional requirements on the operation of our business. If the relevant governmental authorities promulgate new laws and regulations that require additional approvals or licenses or provide additional requirements on the operation of any part of our business and we are not able to obtain such approvals, licenses, permits or filings or adjust our business model to comply with such new laws and regulations in a timely manner, we could be subject to penalties and operational disruption and our financial condition and results of operations could be adversely affected.

Our business generates and processes a large amount of data, including business and personal data, and any improper collection, hosting, use, transmission or disclosure of data could harm our reputation and have a material adverse effect on our business and prospects.

Our business generates and processes a large quantity of customer, supplier and merchant data, some of which may be personal data. Our privacy policies concerning the collection, use and disclosure of personal data are posted. We face risks inherent to handling and protecting a large volume of data. In particular, we face a number of challenges relating to data security and privacy, including but not limited to:

- protecting the data in and hosted on our systems, including against attacks on our systems by outside parties, data leakage or fraudulent behavior or improper use by our employees or business partners,

RISK FACTORS

- addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived sharing (including sharing among our own businesses, with business partners or regulators), safety, security and other factors that may arise from our existing businesses or new businesses and technology, such as new forms of data (for example, biometric data, location information and other demographic information), and
- complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects and compliance requirements in accordance with applicable laws and regulations.

The improper collection, use or disclosure of data could result in a loss of our customers, loss of confidence or trust in us, litigation, regulatory investigations, penalties or actions against us, significant damage to our reputation, and have a material adverse effect on the trading price of our Shares, our business, financial condition, results of operations and prospects.

Any failure to maintain the satisfactory performance of our technology systems and resulting interruptions in the availability of our websites, applications, or services could adversely affect our business, results of operations and prospects.

The satisfactory performance, reliability and availability of our technology platform are critical to our success. We have developed a technology platform that enables us to deliver services with simplicity, convenience, speed and reliability. These integrated systems support the smooth performance of certain key functions of our business. However, our technology platform or infrastructure may not function properly at all times. We may be unable to monitor and ensure high-quality maintenance and upgrade of our systems and technology infrastructure, and our customers may experience service outages and delays in accessing and using our systems as we seek to source additional capacity. In addition, we may experience surges in online traffic and orders associated with promotional activities as we scale, which can put additional demand on our systems at specific times. Any disruption to our technology platform and causing interruptions to our website, applications, systems or services could adversely affect our business and results of operations.

Our technology systems may also experience telecommunications failures, computer viruses, failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, user errors, or other attempts to harm our technology systems, which may result in the unavailability or slowdown of our technology platform or certain functions, delays or errors in transaction processing, loss of data, inability to accept and fulfill orders, reduced transaction volume and the attractiveness of our systems. Further, hackers, acting individually or in coordinated groups, may also launch distributed denial-of-service attacks or other coordinated attacks that may cause service outages or other interruptions in our business. Any of such occurrences could cause severe disruption to our daily operations. If we cannot successfully execute system maintenance and repair, our business and results of operations could be adversely affected and we could be subject to liability claims.

Security breaches and attacks against our systems and network, and any potential resultant breach or failure to otherwise protect confidential and proprietary information, could damage our reputation and adversely affect our business, financial condition and results of operations.

We rely heavily on technology to provide high-quality industrial supply chain technology and services. However, our technology operations may be vulnerable to disruptions arising from human

RISK FACTORS

error, natural disasters, power failure, computer viruses, spam attacks, unauthorized access and other similar events. Disruptions to, or instability of, our technology or external technology that supports the offering of our services and solutions could materially harm our business and reputation.

Although we have employed significant resources to develop security measures against breaches, our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us, we may be unable to anticipate, or implement adequate measures to protect against, these attacks. During the Track Record Period and up to the Latest Practicable Date, we were not subject to these types of attacks that had materially and adversely affected our business operations. However, there can be no assurance that we would not in the future be subject to such attacks that may result in material damages or remediation costs. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed and we could sustain substantial revenue loss from lost sales and customer dissatisfaction.

In addition, we may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our customers and business partners, or the information and technology infrastructure on which we depend. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. Cybersecurity breaches may harm our reputation and business, and materially and adversely affect our financial condition and results of operations.

We or our directors or senior management may from time to time become parties to claims, lawsuits, legal or administrative disputes and other proceedings that may adversely affect our reputation, business and results of operations.

Our business operations entail substantial litigation and regulatory risks, including, among others, the risk of lawsuits and other legal actions relating to commercial disputes, fraud and misconduct, control procedures deficiencies, labor disputes, accidents, personal injuries, property damages, as well as the protection of personal and confidential information of our customers, business partners and others. We may be subject to claims and lawsuits in the ordinary course of our business. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant to us. A significant judgment or regulatory action against us or a material disruption in our business arising from adverse adjudications in proceedings against our directors, officers or employees would have a material adverse effect on our liquidity, business, financial condition, results of operations, reputation and prospects. Our directors, management and employees may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability in relation to commercial, labor, employment, securities or other matters, whether or not related to our business. These matters could affect their ability or willingness to continue to serve our Company or dedicate their efforts to our Company and negatively affect our brand and reputation, resulting in an adverse effect on our business, operating results and financial condition.

RISK FACTORS

As our industrial supply chain technology and service business expands we may encounter a variety of these claims, including those brought against us pursuant to anti-monopoly or unfair competitions laws or involving higher amounts of alleged damages. Laws, rules and regulations applicable to us may vary in their scope and PRC and overseas laws and regulations may impose different requirements. We may acquire companies that may become subject to litigation, as well as regulatory proceedings. In addition, in connection with litigation or regulatory proceedings we may be subject to in various jurisdictions, we may be prohibited by laws, regulations or government authorities in one jurisdiction from complying with subpoenas, orders or other requests from courts or regulators of other jurisdictions, including those relating to data held in or with respect to persons in these jurisdictions. Our failure or inability to comply with the subpoenas, orders or requests could subject us to fines, penalties or other legal liability, which could have a material adverse effect on our reputation, business, results of operations.

We may be the subject of anti-competitive, harassing, unethical, or other detrimental conduct by third parties including complaints to regulatory agencies, negative blog postings, and the public dissemination of malicious assessments of our business that could harm our reputation and cause us to lose market share, customers and revenue and adversely affect the price of our Shares.

We may be the target of anti-competitive, harassing, or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. Our brand name and our business may be harmed by aggressive marketing and communications strategies of our competitors. PRC laws and regulations also prohibit agreements and activities which amount to unfair business competition and an abuse of a dominant market position. We cannot assure you that we will not, in the future, be subject to such unfair business competition or dominant market position abuse imposed by third parties. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted on social media posts, internet forum or chat-rooms or blogs or websites by anyone, whether or not related to us, on an anonymous basis. Customers sometimes value readily available information concerning product and service providers and often act on such information without further investigation or authentication and without regard to its accuracy. The availability of information on social media platforms and devices is virtually immediate, as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, customers and revenue and adversely affect the price of our Shares.

We are subject to changing laws and regulations regarding corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, the Stock Exchange, which together with the SFC is charged with the protection of investors and the oversight of companies whose securities are publicly traded, the various regulatory authorities in Mainland China, Hong Kong, the Cayman Islands and other overseas jurisdictions, and new and

RISK FACTORS

evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to ongoing interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

Failure to comply with applicable laws and regulations by us or our strategic partners may materially and adversely impact our business, reputation, financial condition and results of operations.

Our business is subject to governmental supervision and regulation by the relevant governmental authorities, including but not limited to the MIIT, the SAMR, the MOFCOM and the Cyberspace Administration of China (the “CAC”). These governmental authorities promulgate and enforce regulations that cover many aspects of our day-to-day operations, and we may fail to fully comply with certain of these regulations. See also “Regulations.” Non-compliance with applicable laws, regulations and policies by us may materially and adversely impact our business, reputation, financial condition and results of operations.

New laws and regulations may be promulgated and come into effect from time to time, and the interpretation and implementation of existing laws and regulations may be subject to change. If additional approvals or licenses are required according to either new laws and regulations or new interpretation and implementation of existing laws and regulations, or additional restrictions are enforced or imposed on our operations, our failure to comply with these additional requirements or restrictions may cause the relevant government authorities to levy fines, confiscate income, revoke business licenses, and require us to discontinue relevant business operations.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property (which we have ownership or legal rights to use) as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality, invention assignment and non-compete arrangements with our employees and others, to protect our proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Further, because of the rapid pace of technological change in our industry, parts of our business rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms, or at all.

RISK FACTORS

According to the applicable administrative laws relating to intellectual property, it may take months or even years to register, maintain and enforce intellectual property rights. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights. Policing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the infringement or misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources, and could put our intellectual property at risk of being invalidated or narrowed in scope. We cannot assure you that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful recovery. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in maintaining, protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties. We may be subject to legal proceedings and claims relating to the intellectual property rights of others from time to time. In addition, there may be other third-party intellectual property that is infringed by our solutions or services, the products provided by third-party merchants on our marketplace, or other aspects of our business. There could also be existing patents of which we are not aware that our solutions or services may inadvertently infringe. We cannot assure you that holders of patents purportedly relating to some aspects of our technology platform or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdictions. Further, the application and interpretation of applicable patent laws and the procedures and standards for granting patents in relevant jurisdictions may change from time to time, and we cannot assure you that courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. In addition, we may incur significant expenses, and may be forced to divert the management's time and other resources from our business and operations to defend against these third-party infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question. Finally, we use open source software in connection with our solutions and services. Companies that incorporate open source software into their solutions and services have, from time to time, faced claims challenging the ownership of open source software and compliance with open source license terms. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software or non-compliance with open source licensing terms. Some open source software licenses may require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software and make available any derivative works of the open source code on unfavorable terms or at no cost. Any requirement to disclose our source code or pay damages for breach of contract could be harmful to our business, results of operations and financial condition.

RISK FACTORS

Our success depends on the continuing efforts of our key employees and senior management. If we fail to recruit, retain and motivate our key employees, or maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus that contribute to our business.

Our future success is significantly dependent upon the continued service of our key employees and senior management. If we lose the services of our key employees and senior management, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new employees, which could severely disrupt our business and growth. Competition for talent in China's industrial supply chain technology and service market is intense, and the availability of suitable and qualified candidates is limited. Competition for these individuals could cause us to offer higher compensation and other benefits to attract and retain them. Furthermore, if any of our senior management joins a competitor or forms a competing company, we may lose a significant number of our existing customers and potentially lose our substantial research and development achievements, and face more intense competition, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Even if we were to offer higher compensation and other benefits such as share-based incentives, there is no assurance that these individuals will choose to join or continue to work for us. Any failure to attract or retain key management and personnel could severely disrupt our business and growth. We also commit significant time and other resources to training our employees, which increases their value to competitors if they subsequently leave us for them.

Failure to deal effectively with any fictitious transactions or other fraudulent conduct would materially and adversely affect our business, financial condition and results of operations.

We may face risks with respect to fraudulent activities on our marketplace. Although we have implemented various measures to detect and reduce the occurrence of fraudulent activities on our marketplace, there can be no assurance that such measures will be effective in combating fraudulent transactions or improving overall satisfaction among the marketplace participants. In addition to fraudulent transactions, merchants may also engage in fictitious or "phantom" transactions with themselves or collaborators in order to artificially inflate their own ratings on our marketplace, reputation and search results rankings. This activity may harm other merchants by enabling the perpetrating merchant to be favored over legitimate merchants, and may harm other parties by deceiving them into believing that a merchant is more reliable or trusted than the merchant actually is. This activity may also result in inflated transaction volume from our marketplace. Moreover, illegal, fraudulent or collusive activities by our employees, such as fraud, bribery or corruption, could also subject us to liability or negative publicity or cause losses. We cannot assure you that our internal controls and policies will prevent fraud or illegal activity by our employees. Negative publicity and sentiment generated as a result of actual or alleged fraudulent or deceptive conduct on our systems or by our employees would severely diminish confidence in us, reduce our ability to attract new or retain current marketplace participants, damage our reputation and diminish the value of our brand names, and materially and adversely affect our business, financial condition and results of operations.

If we are unable to conduct our sales and marketing activities cost-effectively, our results of operations and financial condition may be materially and adversely affected.

We have incurred significant expenses on a variety of different sales, marketing and brand promotion efforts designed to increase our customer base, especially our key accounts, and our

RISK FACTORS

supplier base, as well as to further build up our brand recognition. Such efforts may not be well received by customers and may not result in the levels of product sales and transaction volumes that we anticipate. Sales and marketing approaches and tools in our market are still evolving. This further requires us to enhance our approaches and experiment with new methods to keep pace with industry developments and customer preferences. Failure to refine our existing sales and marketing approaches or to introduce new sale and marketing approaches in a cost-effective manner could reduce our market share, cause our net revenue to decline and negatively impact our profitability.

Failure for us, our employees, affiliates and business partners such as suppliers to comply with anti-corruption laws and regulations and our anti-corruption policies and procedures could severely damage our reputation, and materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks in relation to actions taken by us, our employees, affiliates and business partners that constitute violations of the anti-corruption laws and regulations. While we have adopted anti-corruption policies and strict internal procedures and work closely with relevant government agencies to ensure compliance with relevant policies, laws and regulations, our efforts may not be sufficient to ensure that we, our employees, affiliates and business partners comply with relevant policies, laws and regulations at all times. If we, our employees, affiliates and business partners violate these policies, laws, rules or regulations, we could be subject to fines and/or other penalties and our reputation, corporate image and business operations may be materially and adversely affected. Actions by PRC regulatory authorities or the courts to provide an interpretation of PRC laws and regulations may differ from our interpretation, and anti-bribery or anti-corruption related regulations may be changed from time to time. Our reputation, corporate image, and business operations may be materially and adversely affected if we fail to comply with these measures or become the target of any negative publicity as a result of actions taken by us, our employees, affiliates and business partners, which may in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

If our risk management system is not adequate or effective, and if it fails to detect potential risks in our business as intended, our business, financial condition and results of operations could be materially and adversely affected.

We have established our internal control system, such as an organizational framework and, policies and procedures that are designed to monitor and control potential risk areas relevant to our business operations. However, due to the inherent limitations in the design and implementation of our risk management system, our risk management system may not be sufficiently effective in identifying, managing and preventing all risks if external circumstances change substantially or extraordinary events take place.

Furthermore, our new business initiatives may give rise to additional risks that are currently unknown to us, despite our efforts to anticipate such issues. If our risk management system fails to detect potential risks in our business as intended or is otherwise exposed to weaknesses and deficiencies, our business, financial condition and results of operations could be materially and adversely affected.

Our risk management also depends on effective implementation by our employees. There can be no assurance that such implementation by our employees will always function as intended or such

RISK FACTORS

implementation will not involve any human errors, mistakes or intentional misconduct. If we fail to implement our policies and procedures in a timely manner, or fail to identify risks that affect our business with sufficient time to plan for contingencies for such events, our business, financial condition and results of operations could be materially and adversely affected, particularly with respect to the maintenance of our relevant approvals and licenses granted by governments.

If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results, meet our reporting obligations or prevent fraud.

Our success depends on our ability to effectively utilize our standardized management system, information systems, resources and internal controls. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our internal controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our business and cause errors or information lapses that affect our business. Our efforts in improving our internal control system may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to effectively manage our business may be affected.

Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks. Failure to adapt to or comply with the evolving expectations and standards on environmental, social and governance matters from investors and the applicable government may adversely affect our business, financial condition and results of operations.

The applicable government and public advocacy groups have been increasingly focused on environment, social and governance (“ESG”) issues in recent years, making our business more sensitive to ESG issues and changes in governmental policies and laws and regulations associated with environment protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds, and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors on ESG and similar matters may negatively affect access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company’s ESG practices. Any ESG concern or issue could increase our regulatory compliance costs. If we do not adapt to or comply with the evolving expectations and standards on ESG matters from investors and the PRC government, or if we are perceived by investors to have not responded appropriately to the growing concern for ESG issues regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and our business, financial condition, and the price of our Shares could be materially and adversely effected.

Our insurance coverage may not be adequate which could expose us to significant costs and business disruptions.

We have obtained or caused relevant counterparties to obtain insurance to cover certain potential risks and liabilities. We provide social security insurance, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees. However, as the insurance industry in China is still evolving, insurance companies in

RISK FACTORS

China currently offer limited business-related insurance products. We do not maintain business interruption insurance, nor do we maintain key-man insurance. Our insurance policies do not cover potential losses in relation to our inventory holding. There can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We face risks related to severe weather conditions and other natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

Our business could be adversely affected by the effects of epidemics. In recent years, there have been breakouts of epidemics in China and globally, such as the outbreaks of COVID-19. We are also vulnerable to natural disasters and other calamities. Our servers and back-end systems are primarily hosted and maintained at cloud servers that are not operated by us. We cannot assure you that we will have adequate measures to protect ourselves from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to server interruptions, breakdowns, system failures, technology infrastructure failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide technology and other services.

Any deficiencies in China's fixed telecommunications networks and internet infrastructure, as well as mobile operating systems and networks, could impair the functioning of our technology systems and business operations.

Our business depends on the performance, reliability and security of the telecommunications and internet infrastructure in China. Substantially all of our computer hardware and cloud computing services are currently located in China. Access to internet in China is maintained through telecommunications carriers under administrative regulation and supervision according to relevant laws and regulations, and we obtain access to end-user networks operated by such telecommunications carriers to give customers access to our systems. We may not have access to alternative networks in the event of disruptions, failures or other problems with the telecommunication and internet infrastructure in China. The failure of telecommunication and internet network operators to provide us with the requisite bandwidth could also interfere with the speed and availability of our technology platform. Any of such occurrences could delay or prevent our customers from accessing our online website and mobile applications, and frequent interruptions could frustrate customers and discourage them from using our services, which could cause us to lose customers and harm our results of operations. In addition, we have limited control over the service fees charged by telecommunication and internet operators. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be materially and adversely affected.

RISK FACTORS

Risks Related to Our Corporate Structure

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.

Foreign ownership of our internet information provision business is subject to restrictions under current PRC laws and regulations. Foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service (excluding e-commerce, domestic multi-party communications, data collection and transmission services and call centers).

We are a Cayman Islands exempted company and our PRC subsidiaries wholly owned by us are considered wholly foreign owned enterprises. Accordingly, none of these subsidiaries are eligible to operate value-added telecommunications business or certain other restricted services in China. As a result, we will conduct such business activities through our Onshore Holdco and its subsidiaries in PRC.

We have entered into a series of contractual arrangements with the Onshore Holdco and its shareholders, which enable us to:

- exercise effective control over the Onshore Holdco;
- receive substantially all of the economic benefits of the Onshore Holdco; and
- have an exclusive option to purchase all or part of the equity interests in the Onshore Holdco when and to the extent permitted by PRC law.

Because of these contractual arrangements, we are the primary beneficiary of our consolidated affiliated entities, including Onshore Holdco, and hence consolidate their financial results as our consolidated affiliated entities. For a detailed discussion of these contractual arrangements, see “History, Reorganization and Corporate Structure.”

In the opinion of Shihui Partners, our PRC Legal Adviser, (i) the ownership structures of our consolidated affiliated entities in China, including Onshore Holdco, and the PRC subsidiaries wholly owned by us that have entered into contractual arrangements with the Onshore Holdco, comply with all existing PRC laws and regulations; and (ii) the contractual arrangements between our PRC subsidiaries and our Onshore Holdco and its shareholders governed by PRC law are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect. However, our PRC Legal Adviser has also advised us that the interpretation and application of current and future PRC laws, regulations and rules may be changed; accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC Legal Adviser. It is uncertain whether any other new PRC laws or regulations relating to consolidated affiliated entity structures will be adopted or if adopted, what they would provide. If we or our consolidated affiliated entities are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have discretion to take action in dealing with such violations or failures, including:

- revoking the business licenses of such entity;
- discontinuing or restricting the conduct of any transactions between certain of our PRC subsidiaries and consolidated affiliated entities;

RISK FACTORS

- imposing fines, confiscating the income from our consolidated affiliated entities, or imposing other requirements with which we or our consolidated affiliated entities may not be able to comply;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with our consolidated affiliated entities and deregistering the equity pledges of our consolidated affiliated entities, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our consolidated affiliated entities;
- restricting or prohibiting our use of the proceeds of any of our financing outside China to finance our business and operations in China; or
- taking other regulatory or enforcement actions that could be harmful to our business.

The imposition of any of these penalties would result in a material and adverse effect on our ability to conduct our business. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of our consolidated affiliated entities in our consolidated financial statements, if the PRC government authorities were to find our legal structure and contractual arrangements to be in violation of PRC laws and regulations. If the imposition of any of these government actions causes us to lose our right to direct the activities of our consolidated affiliated entities or our right to receive substantially all the economic benefits and residual returns from our consolidated affiliated entities and we are unable to restructure our ownership structure and operations in a satisfactory manner, we would no longer be able to consolidate the financial results of our consolidated affiliated entities in our consolidated financial statements. Either of these results, or any other significant penalties that might be imposed on us in this event, would have a material adverse effect on our financial condition and results of 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.

We have relied and expect to continue to rely on contractual arrangements with the Onshore Holdco and its shareholders to operate part of our services. For a description of these contractual arrangements, see “Contractual Arrangements.” These contractual arrangements may not be as effective as direct ownership in providing us with control over our consolidated affiliated entities.

If we had direct ownership of the Onshore Holdco, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of such entity, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the current contractual arrangements, we rely on the performance by the Onshore Holdco and its shareholders of their obligations under the contracts to exercise control over our consolidated affiliated entities. However, the shareholders of the Onshore Holdco may not act in the best interests of our Company or may not perform its obligations under these contracts. Such risks exist throughout the period in which we intend to operate our business through the contractual arrangements with the Onshore Holdco. We may replace the shareholders of our consolidated affiliated entities at any time pursuant to our contractual arrangements with the Onshore Holdco and its shareholders. However, if any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and courts and there are uncertainties with respect to the enforceability of such rights. See also “—Any failure by the Onshore Holdco or its shareholders to

RISK FACTORS

perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.” Therefore, our contractual arrangements with our consolidated affiliated entities may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

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.

If the Onshore Holdco or its shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and claiming damages. For example, if the shareholders of the Onshore Holdco were to refuse to transfer their equity interest in the Onshore Holdco to us or our designee when we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, we may have to take legal actions to compel them to perform their contractual obligations. We cannot assure you that we will be able to effectively enforce these contractual arrangements.

All the agreements under our contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated affiliated entity should be interpreted or enforced under PRC law, and as a result it may be difficult to predict how an arbitration panel would view such contractual arrangements. As a result, our ability to enforce these contractual arrangements is uncertain. Additionally, under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay.

Our consolidated affiliated entities hold certain of our important licenses and permits, including Value-Added Telecommunications License to operate our business. In the event we are unable to enforce our contractual arrangements, we may not be able to exert effective control over our consolidated affiliated entities, and our ability to conduct these businesses may be negatively affected, which may have a material and adverse effect on our financial condition and results of operations.

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.

The shareholders of the Onshore Holdco may have potential conflicts of interest with us. These shareholders may breach, or cause the Onshore Holdco to breach, or refuse to renew, the existing contractual arrangements we have with them and the Onshore Holdco, which would have a material and adverse effect on our ability to effectively control our consolidated affiliated entities and receive substantially all the economic benefits from them. For example, the shareholders may be able to cause our agreements with the Onshore Holdco to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our Company or such conflicts will be resolved in our favor.

RISK FACTORS

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our Company. If we cannot resolve any conflict of interest or dispute between us and the shareholders of the Onshore Holdco, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

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.

We are a Cayman Islands holding company, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If any of these PRC subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. In addition, the PRC tax authorities may require our wholly foreign-owned subsidiaries in China or any other relevant PRC subsidiary to adjust its taxable income under the contractual arrangements it currently has in place with our consolidated affiliated entities in a manner that would materially and adversely affect its ability to pay dividends and other distributions to us. See “—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 your investment.”

Under PRC laws and regulations, our wholly foreign-owned subsidiaries in China may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a PRC enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends.

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See also “—Risks Related to Doing Business in the Jurisdictions Where We Operate—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.”

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.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries and consolidated affiliated entities. We may make loans to our PRC subsidiaries and consolidated affiliated entities subject to the approval from governmental authorities and limitation of amount, or we may make additional capital contributions to our wholly foreign-owned subsidiaries in China.

RISK FACTORS

Any loans to our wholly foreign-owned subsidiaries in China, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our wholly foreign-owned subsidiaries in China to finance their activities cannot exceed statutory limits, i.e., the difference between its total amount of investment and its registered capital, or certain amount calculated based on elements including capital or net assets and the cross-border financing leverage ratio or the Macro-prudential Management Mode, under relevant PRC laws and the loans must be registered with the local counterpart of the State Administration of Foreign Exchange, or SAFE, or filed with SAFE in its information system. We may also provide loans to our consolidated affiliated entities or other domestic PRC entities under the Macro-prudential Management Mode. Moreover, any medium or long-term loan to be provided by us to our consolidated affiliated entities or other PRC entities must also be registered with the NDRC and SAFE or its local branches.

We may also decide to finance our wholly foreign-owned subsidiaries in China by means of capital contributions. These capital contributions shall go through record-filing or registration procedures from competent administration for market regulation. SAFE issued the Circular on the Management Concerning the Reform of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which took effect on June 1, 2015. SAFE Circular 19 allows for the use of RMB converted from the foreign currency-denominated capital for equity investments in the PRC provided that such usage shall fall into the scope of business of the foreign-invested enterprise, which will be regarded as the reinvestment of foreign-invested enterprise. In addition, SAFE promulgated the Circular Regarding Further Promotion of the Facilitation of Cross-Border Trade and Investment on October 23, 2019, or SAFE Circular 28, pursuant to which all foreign-invested enterprises can make equity investments in the PRC with their capital funds in accordance with the law. The Circular Regarding Further Optimizing the Cross-border RMB Policy to Support the Stabilization of Foreign Trade and Foreign Investment jointly promulgated by the PBOC, NDRC, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the China Banking and Insurance Regulatory Commission and SAFE on December 31, 2020 and effective on February 4, 2021 allows the non-investment foreign-invested enterprises to make domestic reinvestment with RMB capital in accordance with the law on the premise that they comply with prevailing regulations and the invested projects in China are authentic and compliant. In addition, if a foreign-invested enterprise uses RMB income under capital accounts to conduct domestic reinvestment, the invested enterprise is not required to open a special deposit account for RMB capital.

Due to the restrictions imposed on loans in foreign currencies extended to any PRC domestic companies, we are not likely to make such loans to the subsidiaries of our wholly foreign-owned subsidiaries in China and our consolidated affiliated entities, each a PRC domestic company. Meanwhile, we are not likely to finance the activities of our consolidated affiliated entities by means of capital contributions given the restrictions on foreign investment in the businesses that are currently conducted by our consolidated affiliated entities.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or record-filings on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or consolidated affiliated entities or future capital contributions by us to our wholly foreign-owned subsidiaries in China. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries or consolidated affiliated entities when needed. If we fail to complete such registrations or record-filings, our ability to use

RISK FACTORS

foreign currency, including the proceeds we received from our initial public offering, and to capitalize or otherwise fund our PRC operations may be negatively affected, 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 your investment.

Under applicable PRC laws and regulations, transactions among related parties may be subject to audit or challenge by the PRC tax authorities. If the PRC tax authorities deem the transactions between the PRC subsidiaries and our consolidated affiliated entities in China, and their respective shareholders were not entered into on an arm's-length basis and resulted in deferral or underpayment in taxes, they are entitled to make special tax adjustments which might result in the increase of the consolidated affiliated entities' tax liabilities. If the tax authorities conduct special tax adjustments, they might impose interest charges for the underpaid taxes. Our financial position could be adversely affected if our consolidated affiliated entities' tax liabilities increase or if they are required to pay interest charge.

Our current corporate structure and business operations may be affected by the Foreign Investment Law.

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law or the FIL, which became effective on January 1, 2020 and replaced the outgoing laws regulating foreign investment in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law and the Wholly Foreign-owned Enterprise Law, as well as their implementation rules and ancillary regulations, or the Outgoing FIE Laws. See "Regulations—Regulations Relating to Foreign Investment."

Meanwhile, the Implementation Rules to the PRC Foreign Investment Law came into effect as of January 1, 2020, which clarified and elaborated the relevant provisions of the FIL. However, interpretation and implementation of the FIL are still evolving, especially in regard to the nature of consolidated affiliated entity contractual arrangements. While FIL does not define contractual arrangements as a form of foreign investment explicitly, it has a catch-all provision under definition of "foreign investment" that includes investments made by foreign investors in the PRC through other means as provided by laws, administrative regulations or the State Council, we cannot assure you that future laws and regulations will not provide for contractual arrangements as a form of foreign investment. Therefore, there can be no assurance that our control over our consolidated affiliated entities through contractual arrangements will not be deemed as foreign investment in the future. In the event that any possible implementing regulations of the FIL, any other future laws, administrative regulations or provisions deem contractual arrangements as a way of foreign investment, or if any of our operations through contractual arrangements is classified in the "restricted" or "prohibited" industry in the future "negative list" under the FIL, our contractual arrangements may be deemed as invalid and illegal, and we may be required to unwind the contractual arrangements and/or dispose of any affected business. Also, if future laws, administrative regulations or provisions mandate further actions to be taken with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Furthermore, under the FIL, foreign investors or the foreign investment enterprise should be imposed legal liabilities

RISK FACTORS

for failing to report investment information in accordance with the requirements. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance, financial condition and business operations.

Risks Related to Doing Business in the Jurisdictions Where We Operate

Changes in China's or global economic, political or social conditions or government policies could have a material and adverse effect on our business and operations.

Substantially all of our operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

While the Chinese economy has experienced significant growth over the past decades, there can be no assurance that the growth would be maintained or equitable across sectors. The Chinese government has implemented various measures to encourage economic growth. Some of these measures may benefit the overall Chinese economy, but may not have the same effect on us.

In addition, the global economic, political and social conditions are evolving rapidly and subject to uncertainties. For example, health epidemics have caused significant downward pressure for the global economy. Geopolitical tension and conflicts, unfavorable trade and investment policies, energy crisis, inflation risk, interest rate fluctuations, instability in the financial system, and uncertainties regarding monetary policies of major economies impose new challenges and uncertainties on the global economy. In particular, the U.S. Department of the Treasury has issued a final rule, which became effective on January 2, 2025, that imposes restrictions on U.S. outbound investment involving entities classified as “Covered Foreign Persons” under the rule. We do not believe that our Company is a “Covered Foreign Person” as defined under the final rule. Furthermore, the U.S. government has issued a broadly worded “America First Trade Policy” and an “America First Investment Policy” that seek to further restrict U.S. investments involving China (including possibly expanding technologies subject to investment restrictions and narrowing related exceptions (including those related to publicly traded securities)). In addition, since early 2025, U.S. President Trump has implemented significant changes to U.S. trade policy with China, including imposing additional tariffs on Chinese imports. 145% additional tariffs were initially imposed and then suspended, after which 30% additional tariffs applied, before the two countries recently reached an agreement including lowering the additional tariffs by 10%. These changing policies have created considerable uncertainty regarding future tariff rates and the trajectory of U.S.-China trade relations. The continued tensions and the prospect of escalating tariffs could potentially impact the Chinese economy. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term and the ability of Chinese companies to raise capital from U.S. investors. Furthermore, sanctions and export control measures are unilaterally imposed by the U.S. or other jurisdictions from time to time. For example, on September 29, 2025, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) issued an immediately effective interim final rule that, among others, extends Entity List and Military End-User List restrictions to entities that are 50% or more owned, directly or indirectly, by parties designated on those lists. This rule is currently suspended for one year. If implemented, these measures are expected to have significant impact on the targeted countries, markets and/or entities, making compliance more complicated and time-consuming and increasing the risk of inadvertent omissions. Chinese companies

RISK FACTORS

may be affected by such sanctions or export control measures. We may also be exposed to risks in dealing with business partners subject to sanctions or export controls. As a result, we could be required to incur additional costs to comply with these regulations and measures and could face penalties for any violation, even if inadvertent.

We are subject to PRC laws and regulations that could require us to modify our current business practices and incur increased costs.

We are subject to extensive national, provincial and local governmental regulations, policies and controls, covering, among others and in addition to specific industry-related regulations, the following aspects: (i) consumer protection and product liability; (ii) cybersecurity, data security and protection of personal information; (iii) security laws and regulations; (iv) establishment of or changes in shareholder of foreign investment enterprises; (v) foreign exchange; (vi) taxes, duties and fees; and (vii) online trading.

The liabilities, costs, obligations and requirements associated with these laws and regulations may cause interruptions to our operations or impact our financial position and results of operations. Failure to comply with the relevant laws and regulations in our operations may result in various penalties, including, among others the suspension of our operations and thus adversely and materially affect our business, prospects, financial condition and results of operations. Additionally, there can be no assurance that the relevant government agencies will not change such laws or regulations or impose additional or more stringent laws or regulations. Compliance with such laws or regulations may require us to incur material capital expenditures or other obligations or liabilities. Legal requirements change from time to time and are subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with capital raising activities.

PRC laws and regulations in relation to overseas issuance and listing of shares have developed substantially recently and may be subject to change. We are required to make filings with or report to CSRC or other PRC governmental authorities or fulfill other obligations for our equity capital raising activities. Any failure or perceived failure to make filing, report, fulfill our obligations, or comply with other applicable laws and regulations could have a material adverse effect on our relevant capital raising activities and result in negative publicity and legal proceedings or regulatory actions against us.

On July 6, 2021, the General Office of the State Council, together with another regulatory authority, jointly promulgated the Opinions on Strictly Combating Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》), which calls for, among others, enhanced administration and supervision of overseas-listed China-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies, and clarifies the responsibilities of competent domestic industry regulators and government authorities.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Trial Measures”) and five supporting guidelines, which came into effect on March 31,

RISK FACTORS

2023. Pursuant to the Trial Measures, domestic companies that seek to offer and list securities overseas, directly or indirectly, should fulfill the filing procedure and report relevant information to the CSRC. For more details, see “Regulations—Regulations relating to Overseas Listing and M&A.” We submitted the filing application for the Listing to the CSRC on April 2, 2023, and the CSRC issued a notification regarding our filing pursuant to the Trial Measures for the Global Offering, and confirmed our completion of the filing on September 19, 2025.

In addition, according to the Trial Measures, any future issuance or listing of shares after our IPO will also be subject to filing procedure of CSRC. Besides, we are also required to report certain material matters to CSRC or other PRC governmental authorities after our IPO, including for our change in control, change of the listing status or stock exchange, or termination of listing. Failure to perform such filing or reporting procedure would subject us to administrative penalties which could harm our reputation and may adversely affect our results of financial condition.

Furthermore, on February 24, 2023, the CSRC released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “Confidentiality Provisions”), which came into effect on March 31, 2023. Pursuant to the Confidentiality Provisions, any future inspection or investigation conducted by overseas securities regulator or the relevant competent authorities on our PRC domestic companies with respect to our overseas issuance and listing shall be carried out in the manner in compliance with PRC laws and regulations.

Our business is subject to complex and evolving Chinese and international laws and regulations regarding data privacy and cybersecurity. Failure to protect confidential information of our customers and network against security breaches could damage our reputation and brand and substantially harm our business and results of operations.

A significant challenge to the online business is the secure storage of confidential information and its secure transmission over public networks. Maintaining complete security for the storage and transmission of confidential information in our systems is essential to maintaining our operating efficiency and customer confidence as well as complying with the applicable laws and standards.

We have adopted security policies and measures, including encryption technology, to protect our proprietary data and customer information. However, advances in technology, the expertise of hackers, improper use or sharing of data, new discoveries in the field of cryptography or other events or developments could result in a compromise or breach of the technology that we use to protect confidential information. We may not be able to prevent third parties, especially hackers or other individuals or entities engaging in similar activities, from illegally obtaining such confidential or private information we hold as a result of our customers’ visits to our websites and use of our mobile apps. Such individuals or entities obtaining our customers’ confidential or private information may further engage in various other illegal activities using such information. In addition, we have limited control or influence over the security policies or measures adopted by business partners including strategic partners or third-party providers of online payment services through which some of our customers may choose to make payment for purchases. The third-party couriers we use may also violate their confidentiality obligations and disclose or use information about our customers illegally. Any negative publicity on our systems’ safety or privacy protection mechanisms and policies, and any

RISK FACTORS

claims asserted against us or fines imposed upon us as a result of actual or perceived failures, could have a material and adverse effect on our public image, reputation, financial condition and results of operations. If we give third parties greater access to our systems in the future as part of providing more technology services to third-party merchants and others, it may become more challenging for us to ensure the security of our systems. Any compromise of our information security or the information security measures of our third-party couriers or third-party online payment service providers or other business partners could have a material and adverse effect on our reputation, business, prospects, financial condition and results of operations. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet and mobile platforms are under increased public scrutiny.

Regulatory authorities have implemented and are considering further legislative and regulatory proposals concerning data security and privacy. New laws and regulations that govern new areas of data security and privacy or impose more stringent requirements may be introduced in the PRC and other jurisdictions where we conduct business or may expand into. In addition, the interpretation and application of data security and privacy laws are subject to change. Existing or newly introduced laws and regulations, or their interpretation, application or enforcement, could have the potential to significantly affect the value of our data and require us to change our data security and privacy practices and other business activities.

To the extent necessary for our business, we collect, store and handle personal data for the stated purpose authorized by our customers. As such, we are subject to a variety of PRC laws and other obligations relating to the security and privacy of data, including, among others, (i) PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), or the PIPL, (ii) PRC Data Security Law (《中華人民共和國數據安全法》), or the Data Security Law, (iii) PRC Cybersecurity Law (《中華人民共和國網絡安全法》), or the Cybersecurity Law, and (iv) the Measures for Cybersecurity Review (《網絡安全審查辦法》). See “Regulations — Regulations on Cybersecurity, Data Security and Protection of Personal Information” for details.

As the regulations regarding data privacy and cybersecurity in China have developed substantially recently and may be subject to change, we may become subject to new laws and regulations applying to data security and privacy. On September 24, 2024, the State Council released the Cyber Data Security Administration Regulations (《網絡數據安全管理條例》) (the “**Cyber Data Regulations**”), which requires data processors who carry out cyber data processing activities that affect or may affect national security to conduct cybersecurity reviews. However, there had been no clarifications from the authorities as of the Latest Practicable Date as to the standards for determining such activities that “affect or may affect national security.” As of the Latest Practicable Date, we had not been involved in any formal investigations on cybersecurity review initiated by the CAC on such basis and are not required to go through cybersecurity review by the CAC. However, if we are not able to comply with the cybersecurity and network data security requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our app from application stores, among other sanctions. These enforcement measures could materially and adversely affect our business and results of operations, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline. As of the Latest Practicable Date, our PRC counsel does not expect the current applicable PRC laws on cybersecurity to have a material adverse impact on our business.

RISK FACTORS

In addition, we may need to comply with increasingly complex and rigorous regulatory standards enacted to protect business and personal data in the U.S., Europe, Hong Kong and elsewhere. For example, the European Union adopted the General Data Protection Regulation, or the GDPR, which became effective on May 25, 2018. The GDPR imposes additional obligations on companies regarding the handling of personal data and provides certain individual privacy rights to persons whose data is stored. Compliance with existing, proposed and recently enacted laws (including implementation of the privacy and process enhancements called for under GDPR) and regulations can be costly; any failure to comply with these regulatory standards could subject us to legal and reputational risks.

We generally comply with industry standards and are subject to the terms of our own privacy policies. Compliance with any additional laws could be expensive, and may place restrictions on the conduct of our business and the manner in which we interact with our customers. Any failure to comply with applicable regulations could also result in regulatory enforcement actions against us, and misuse of or failure to secure personal information could also result in violation of data privacy laws and regulations, proceedings against us by governmental authorities or other authorities, damage to our reputation and credibility and could have a negative impact on revenue and profits.

Significant capital and other resources may be required to protect against information security breaches or to alleviate problems caused by such breaches or to comply with our privacy policies or privacy-related legal obligations. The resources required may increase over time as the methods used by hackers and others engaged in online criminal activities are increasingly sophisticated and constantly evolving. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our customers to lose trust in us and could expose us to legal claims. Any perception by the public that online transactions or the privacy of user information are becoming increasingly unsafe or vulnerable to attacks could inhibit the growth of online retail and other online services generally, which may reduce the number of orders we receive.

Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. The relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. However, we cannot assure you that we will not receive any complaint or demand for social insurance or housing provident fund contribution from our employees, or that the relevant PRC authorities will not require us to make additional social insurance and housing provident fund contributions. As a result, our financial condition and results of operations could be adversely affected.

RISK FACTORS

We may be required to register our operating offices outside of our residence addresses as branch offices under PRC law.

Under PRC law, a company setting up premises for business operations outside its residence address must register them as branch offices or subsidiaries with the relevant local market regulation bureau at the place where the premises are located and obtain business licenses for them as branch offices or subsidiaries. If the PRC regulatory authorities determine that we are in violation of the relevant laws and regulations, we may be subject to penalties, including fines, confiscation of income and suspension of operation. If we become subject to these penalties, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The conversion of RMB into foreign currencies, including Hong Kong dollars and U.S. dollars, is based on rates set by the People's Bank of China. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollars, the U.S. dollars or other currencies in the future. The value of RMB against the Hong Kong dollars, the U.S. dollars and other currencies is affected by changes in global and national political and economic conditions, market supply and demand conditions, and foreign exchange and monetary policies, among other things. We cannot assure you that RMB will not appreciate or depreciate significantly in value against Hong Kong dollars and the U.S. dollars in the future.

Any significant appreciation or depreciation of RMB may materially and adversely affect our revenue, earnings and financial position, and the value of, and any dividends payable on, our Shares. For example, to the extent that we need to convert Hong Kong dollars and U.S. dollars we receive into RMB to pay our operating expenses, appreciation of RMB against the Hong Kong dollars and the U.S. dollars would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, a significant depreciation of RMB against the Hong Kong dollars and the U.S. dollars may significantly reduce the Hong Kong dollars or the U.S. dollars equivalent of our earnings, which in turn could adversely affect the price of our Shares. In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, we recorded exchange income arising on translation of foreign operations of RMB16.5 million, exchange expenses arising on translation of foreign operations of RMB1.9 million, exchange expenses arising on translation of foreign operations of RMB9.9 million, exchange expenses arising on translation of foreign operations of RMB2.5 million and exchange income arising on translation of foreign operations of RMB4.8 million, respectively.

As of the date of this document, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by our inability to carry out exchanges between RMB and foreign currencies. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

Governmental regulation of currency conversion may limit our ability to utilize our funds effectively and affect the value of your investment.

The PRC government imposes regulations on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China requires approval or

RISK FACTORS

registration in accordance with regulatory requirements. We receive substantially all of our revenue in RMB. Under our current corporate structure, our Company in the Cayman Islands may rely on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our wholly foreign-owned subsidiaries in China are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation. But approval from or registration with appropriate government authorities or delegated banks is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies, or to remit funds offshore to make overseas investments. For example, for our funds repatriated to the PRC from overseas financing activities, we will need to complete certain filing or approval procedures to remit the funds out of the PRC for investment, acquisition or other capital account purposes. Any failure to complete these procedures may adversely impact our ability to carry out our overseas expansion. We cannot guarantee that additional regulatory requirements on the convertibility of the RMB into foreign currencies will not be imposed in the future, such as due to foreign exchange policy adjustments in response to changes in global economic conditions. If we are unable to obtain sufficient foreign currencies to satisfy our demand, we may not be able to pay dividends in foreign currencies to our shareholders or to finance our overseas expansion.

PRC regulations establish procedures and requirements for some acquisitions of Chinese companies by foreign investors, which could make it difficult for us to pursue growth through acquisitions in China.

PRC regulations and rules concerning mergers and acquisitions including the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, established additional procedures and requirements for merger and acquisition activities by foreign investors. For example, the M&A Rules require that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds famous trademarks or PRC time-honored brands.

Moreover, the Anti-Monopoly Law requires that the antitrust governmental authority shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. On February 7, 2021, the Anti-Monopoly Committee of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》), which stipulates that any concentration of undertakings involving variable interest entities (VIE structure) shall fall within the scope of anti-monopoly review. If a concentration of undertakings meets the criteria for declaration as stipulated by the State Council, an operator shall report such concentration of undertakings to the anti-monopoly law enforcement agency under the State Council in advance. Therefore, our acquisitions of other entities that we have made before or will make in the future (whether by ourselves, our subsidiaries or through our variable interest entities) that meet the criteria for declaration, may be required to be reported to and approved by the anti-monopoly law enforcement agency. During the Track Record Period, we were not fined for violation of the Anti-Monopoly Law.

RISK FACTORS

In addition, the Provisions of Ministry of Commerce on Implementation of Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) issued by the MOFCOM that became effective on September 1, 2011 specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. These laws and regulations are continually evolving as newly enacted Foreign Investment Law took effect. On December 19, 2020, the Measures for the Security Review for Foreign Investment was jointly issued by NDRC and MOFCOM and took effect from January 18, 2021. The Measures for the Security Review for Foreign Investment specified provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions takes time, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts or other relevant government agencies may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises “national defense and security” or “national security” concerns. Besides, the MOFCOM or other government agencies may publish explanations in the future determining that the business of potential target entities is in an industry subject to the security review, in which case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions could be materially and adversely affected by these and future laws and regulations.

Failure to comply with regulations relating to the establishment of offshore special purpose companies by our PRC resident shareholders may subject our PRC resident beneficial owners or our wholly foreign-owned subsidiaries in China to liability or penalties, limit our ability to inject capital into these subsidiaries, limit these subsidiaries’ ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

The Notice on Issues Relating to the Administration of Foreign Exchange in Fund-Raising and Round-Trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies, or SAFE Circular 75, requires PRC residents to register with the relevant local branch of SAFE before establishing or controlling any company outside of China, referred to as an offshore special purpose company, for the purpose of raising funds from overseas to acquire or exchange the assets of, or acquiring equity interests in, PRC entities held by such PRC residents and to update such registration in the event of any significant changes with respect to that offshore company. SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, in July 2014, which replaced SAFE Circular 75. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a “special purpose vehicle.” The term “control” under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles or PRC

RISK FACTORS

companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle, such as changes in a PRC resident individual shareholder, name or operation period; or any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions. In February 2015, SAFE issued the Circular of the SAFE on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment, or SAFE Circular 13, which took effect on June 1, 2015. SAFE Circular 13 has delegated to the qualified banks the authority to register all PRC residents' investment in "special purpose vehicle" pursuant to SAFE Circular 37, except that those PRC residents who have failed to comply with SAFE Circular 37 will remain to fall into the jurisdiction of the local SAFE branch and must make their supplementary registration application with the local SAFE branch.

We have requested PRC residents who we know hold direct or indirect interest in our Company to make the necessary applications, filings and amendments as required under SAFE Circular 37 and other related rules. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our Company, and we cannot provide any assurance that these PRC residents will comply with our request to make or obtain any applicable registrations or comply with other requirements under SAFE Circular 37 or other related rules. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, restrict our cross-border investment activities, limit the ability of our wholly foreign-owned subsidiaries in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into these subsidiaries. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We and our directors, executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted restricted shares, restricted share units or options are subject to these regulations. Failure to complete

RISK FACTORS

the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in China and limit these subsidiaries' ability to distribute dividends to us. Any failure to comply with Chinese laws and regulations and their interpretations that are applicable from time to time in future to overseas public companies' stock incentive plans may restrict our ability to adopt additional incentive plans for our directors and employees under PRC law.

Our business benefits from certain government grants, financial incentives and discretionary policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

In the past, local governments in China granted certain financial incentives from time to time to our PRC subsidiaries or consolidated affiliated entities as part of their efforts to encourage the development of local businesses. In addition, several COVID-19 related government policy support, such as relief of social security and waiver of toll charges, the exact magnitude of which cannot be quantified, have also contributed to the improvement our financial performance during the Track Record Period. However, the timing, amount and criteria of government financial incentives are determined by the relevant local government authorities and cannot be predicted with certainty before we are notified by relevant government authorities of our eligibility to receive relevant financial incentives. We generally do not have the ability to influence local governments in making these decisions. Local governments may decide to reduce or eliminate incentives available to us. We cannot assure you of the continued availability of the government incentives currently enjoyed by our PRC subsidiaries or consolidated affiliated entities. Any reduction or elimination of incentives would have an adverse effect on our results of operations.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the Enterprise Income Tax Law of the PRC, or the EIT Law, and its implementation rules, an enterprise established outside of the PRC with “de facto management body” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. On April 22, 2009, the State Administration of Taxation, or the SAT issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, and not those controlled by PRC individuals or foreigners, the criteria set forth in the

RISK FACTORS

circular may reflect the SAT's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. If the PRC tax authorities determine that we should be classified as a PRC resident enterprise for PRC tax purposes, our global income will be subject to income tax at a uniform rate of 25%, which may have a material adverse effect on our financial condition and results of operations. Notwithstanding the foregoing provision, the EIT Law also provides that, if a PRC resident enterprise directly invests in another PRC resident enterprise, the dividends received by the investing PRC resident enterprise from the invested PRC resident enterprise are exempted from income tax, subject to certain conditions. However, the PRC tax authorities have the discretion to interpret and determine the PRC tax resident treatment of an offshore company with indirect ownership interests in PRC resident enterprises through intermediary holding companies on a case-by-case basis, and we are not certain that this exemption from income tax will be available to our ownership arrangements for our PRC-resident enterprises.

Moreover, if the PRC tax authorities determine that our Company is a PRC resident enterprise for PRC enterprise income tax purposes, gains realized on the sale or other disposal of our Shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises, or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. Any such tax may reduce the returns on your investment in our Shares.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non PRC holding companies, and heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

The SAT has issued several rules and notices to tighten the scrutiny over acquisition transactions in recent years, including the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises issued in December 2009, or SAT Circular 698, the Notice on Several Issues Regarding the Income Tax of Non-PRC Resident Enterprises issued in March 2011, or SAT Circular 24, and the Notice on Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-PRC Resident Enterprises issued in February 2015, or SAT Circular 7. Pursuant to these rules and notices, if a non-PRC resident enterprise indirectly transfers PRC taxable properties, referring to properties of an establishment or a place in the PRC, real estate properties in the PRC or equity investments in a PRC tax resident enterprise, by disposing of equity interest in an overseas holding company, such indirect transfer should be deemed as a direct transfer of PRC taxable properties and gains derived from such indirect transfer may be subject to the PRC withholding tax at a rate of up to 10%. SAT Circular 7 sets out several factors to be taken into consideration by tax authorities in determining whether an indirect transfer has a reasonable commercial purpose. An indirect transfer satisfying all the following criteria will be deemed to lack reasonable commercial purpose and be taxable under PRC law: (i) 75% or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from the PRC taxable properties; (ii) at any time during the one-year period before the indirect transfer, 90% or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in the PRC, or 90% or more of its income is derived directly or indirectly from the PRC; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries that directly or indirectly hold the PRC taxable properties are limited and are insufficient to prove their economic substance; and (iv) the foreign tax payable on the gain derived from the indirect transfer of the PRC taxable properties is lower than the potential PRC income tax on the direct

RISK FACTORS

transfer of such assets. Nevertheless, the indirect transfer falling into the safe harbor available under SAT Circular 7 may not be subject to PRC tax and the scope of the safe harbor includes qualified group restructuring as specifically set out in SAT Circular 7, public market trading and tax treaty exemptions.

In October 2017, the SAT released the Public Notice Regarding Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Public Notice 37, effective from December 2017. SAT Public Notice 37 replaced a series of important circulars, including but not limited to SAT Circular 698, and revised the rules governing the administration of withholding tax on China-source income derived by a non-resident enterprise. SAT Public Notice 37 provides for certain key changes to the current withholding regime, for example, the withholding obligation for a non-resident enterprise deriving dividend arises on the date on which the payment is actually made rather than on the date of the resolution that declared the dividends.

Under SAT Circular 7 and SAT Public Notice 37, the entities or individuals obligated to pay the transfer price to the transferor are the withholding agents and must withhold the PRC income tax from the transfer price if the indirect transfer is subject to the PRC enterprise income tax. If the withholding agent fails to do so, the transferor should report to and pay the tax to the PRC tax authorities. In the event that neither the withholding agent nor the transferor fulfills their obligations under SAT Circular 7 and SAT Public Notice 37, according to the applicable law, apart from imposing penalties such as late payment interest on the transferor, the tax authority may also hold the withholding agent liable and impose a penalty of 50% to 300% of the unpaid tax on the withholding agent. The penalty imposed on the withholding agent may be reduced or waived if the withholding agent has submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with SAT Circular 7.

We face uncertainties on the reporting and withholding obligations and consequences of failing to comply with these obligations on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our Company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident enterprises or other taxable assets by us. Our Company and other non-resident enterprises in our group may be subject to filing obligations or being taxed if our Company and other non-resident enterprises in our group are transferors in such transactions, and may be subject to withholding obligations if our Company and other non-resident enterprises in our group are transferees in such transactions. For the transfer of shares in our Company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our Company and other non-resident enterprises in our group should not be taxed under these rules and notices, which may have a material adverse effect on our financial condition and results of operations. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non-PRC residents were involved if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-PRC resident investors may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices, which may have a material adverse effect on our financial condition and results of operations or such non-PRC resident investors' investments in us. We have conducted acquisition transactions in the past and may conduct additional acquisition transactions in the future. We cannot assure you that the PRC tax authorities will

RISK FACTORS

not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance to PRC tax authorities for their investigation with respect thereto. As a result, potential acquisitions we may pursue in the future may be affected by the regulatory scrutiny of the PRC tax authorities.

Risks Related to the Global Offering

There has been no public market for our Shares prior to the Global Offering, and you may not be able to resell our Shares at or above the price you pay, or at all.

Prior to the completion of the Global Offering, there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

The trading price of our Shares may be volatile which could result in substantial losses to you.

In addition, the trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards China-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance, and may result in losses on your investment in our Shares. In addition, short seller reports attacking us could also negatively impact the trading price of our Shares. Public companies that have substantially all of their operations in China have been the subject of short selling, and much of the scrutiny and negative publicity has centered on allegations in areas such as financial reporting, accounting and corporate governance. If we cannot respond timely to the allegations in the short seller reports, the trading price of our Shares will continue to fluctuate significantly after such attack. Further, regardless of whether such allegations are grounded, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our directors, executive officers and substantial shareholders, could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares, especially by our directors, executive officers and substantial shareholders, or the perception or anticipation of such sales, could negatively impact the market price of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

RISK FACTORS

The Shares held by our substantial shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the Offer Price of our Shares is higher than the net tangible book value per share of our Shares immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the Global Offering may experience further dilution in their shareholding percentage.

If securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding our Shares, the market price for our Shares and trading volume could decline.

The trading market for our Shares will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our Shares, the market price for our Shares would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our Shares to decline.

We have no experience operating as a public company.

We have no experience conducting our operations as a public company. After we become a public company, we may face enhanced administrative and compliance requirements, which may result in substantial costs.

In addition, since we are becoming a public company, our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and securities and investor relationships issues. As a public company, our management will have to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner.

We cannot assure you that we will declare and distribute any amount of dividends in the future and you may have to rely on price appreciation of our Shares for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income.

Our Board has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts at they fall due in the ordinary course of

RISK FACTORS

business. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications contained in this document.

This document, particularly the sections headed “Business” and “Industry Overview,” contains information and statistics relating to our industry. Such information and statistics have been derived from different official government publications. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. The information from official government sources has not been independently verified by us, the Joint Global Coordinators, the Overall Coordinators, the Joint Sponsors, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors and advisors, or any other persons or parties involved in the Global Offering (excluding China Insights Consultancy), and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles and by the Cayman Companies Act and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority Shareholders may be located. See “Summary of the Constitution of the Company and Cayman Islands Company Law” in Appendix III to this document.

RISK FACTORS

As a result of all of the above, minority Shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management, Directors or our majority Shareholder, which may provide different remedies to minority Shareholders when compared to the laws of the jurisdiction in which such shareholders are located.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions against us or our management based on foreign laws.

We are an exempted company incorporated under the laws of the Cayman Islands. However, we conduct substantially all of our operations in China and most of our assets are located in China. In addition, all of our directors and senior executive officers reside within China for at least a significant portion of the time and all of them are PRC nationals. As cross-border service of process is typically cumbersome and time-consuming, it may be difficult for investors outside China to effect service of process upon us or our management residing in China. As China does not have any treaties or other forms of written arrangement with the United States that provide for the reciprocal recognition and enforcement of foreign judgments, you may fail to enforce in Chinese courts the judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors. In addition, there is uncertainty as to whether the courts of the Cayman Islands or the PRC would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state. On January 9, 2021, MOFCOM promulgated the Measures for Blocking Improper Extraterritorial Application of Foreign Laws and Measures (《阻斷外國法律與措施不當域外適用辦法》), or Order No. 1, with immediate effect. Under Order No. 1, if a citizen, legal person or other organization of China is prohibited or restricted by foreign legislation and other measures from engaging in normal economic, trade and related activities with a third state (or region) or its citizens, legal persons or other organizations, the citizen, legal person or other organization shall truthfully report such matters to MOFCOM within 30 days. Upon assessment and confirmation that there exists unjustified extra-territorial application of foreign legislation and other measures, MOFCOM will issue a prohibition order to prevent the relevant foreign legislation and other measures from being accepted, executed, or observed, but such a citizen, legal person or other organization may apply to MOFCOM for an exemption from compliance with such prohibition order. However, since Order No. 1 is relatively new, its enforcement is still evolving.

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other forms of written arrangement with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the PRC courts will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC laws or national sovereignty, security or public interest. As a result, enforcement of a judgment rendered by a foreign court is subject to the judgment of PRC courts considering the foregoing factors.

Waivers have been granted from compliance with certain requirements of the Listing Rules.

Shareholders will not have the benefit of the Listing Rules that are so waived. These waivers could be revoked, exposing us and our Shareholders to additional legal and compliance obligations.

RISK FACTORS

We have applied for, and the Hong Kong Stock Exchange and SFC has granted to us, a number of waivers from strict compliance with the Listing Rules. See “Waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.” There is no assurance that the Hong Kong Stock Exchange or SFC will not revoke any of these waivers granted or impose certain conditions on any of these waivers. If any of these waivers were to be revoked or to be subject to certain conditions, we may be subject to additional compliance obligations and incur additional compliance costs, all of which could materially and adversely affect us and our Shareholders.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this document, there has been press and media coverage regarding us and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

Our Controlling Shareholders have significant influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders have substantial influence over our business and operations, including matters relating to management and policies, decisions in relation to acquisitions, expansion plans, business consolidation, the sale of all or substantially all of our assets, nomination of directors, dividends or other distributions, as well as other significant corporate actions. Immediately following the completion of the Global Offering and the Conversion Adjustment, our Controlling Shareholders will collectively beneficially own approximately 75.71% of the voting power of our outstanding share capital, assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans. The concentration of voting power and the substantial influence of our Controlling Shareholders over our Company may discourage, delay or prevent a change in control of our Company, which could deprive other shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and reduce the price of our Shares. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, our Controlling Shareholders will continue to have the ability to exercise their substantial influence over us and to cause us to enter into transactions or take, or fail to take, actions or make decisions which conflict with the best interests of our other shareholders.

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

In preparation for the JDI Spin-off and the Listing, we have sought the following waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Our Group's management headquarters, senior management, business operations and assets are primarily based outside Hong Kong, in China. The Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange in accordance with paragraph 10 of Chapter 3.10 of the Guide for New Listing Applicants issued by the Stock Exchange by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. At present, our two authorized representatives are Mr. Chunzheng Song and Mr. Ming King Chiu;
- (b) we will implement a policy to provide the contact details of each Director to the Stock Exchange, their alternate representative and to the authorized representatives. This will ensure that the Stock Exchange, their alternate representative and the authorized representatives would have means for contacting all Directors promptly at all times as and when required, including means to communicate with the Directors when they are traveling;
- (c) we will ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange;
- (d) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Haitong International Capital Limited as compliance adviser (the "**Compliance Adviser**"), who will act as an additional channel of communication with the Stock Exchange. The Compliance Adviser will provide our Company with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Adviser has prompt access to our Company's authorized representatives and Directors. In turn, they

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

will provide the Compliance Adviser with such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties. The Compliance Adviser will also provide advice to our Company when consulted by our Company in compliance with Rule 3A.23 of the Listing Rules; and

- (e) meetings between the Stock Exchange and the Directors can be arranged through the authorized representatives, or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives and/or the Compliance Adviser in accordance with the Listing Rules.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions that will constitute partially-exempt and non-exempt continuing connected transactions of our Company under the Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with Chapter 14A of the Listing Rules. See "Connected Transactions" for more details.

WAIVER AND EXEMPTION IN RELATION TO THE PRE-IPO ESOP DISCLOSURE REQUIREMENTS

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribes certain disclosure requirements in relation to the share options granted by our Company (the "Share Option Disclosure Requirements"):

- (a) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a scheme must be clearly set out in this document. Our Company is also required to disclose in this document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards;
- (b) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this document particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and
- (c) Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the prospectus.

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

As of the Latest Practicable Date, our Company had granted outstanding options under the Pre-IPO ESOP to 903 grantees, including one Director, one senior management, two other connected persons of our Company, seven grantees who were granted options to subscribe for 400,000 Shares or more (who are not Directors or members of senior management or connected persons of the Company) and 892 other employees of the Group and JD Group and its associate companies (as applicable), to subscribe for an aggregate of 44,909,843 Shares, representing approximately 1.67% of the total number of Shares in issue immediately after completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Pre-IPO ESOP). For further details of the Pre-IPO ESOP, see the section headed “Statutory and General Information—D. Share Incentive Plans—1. Pre-IPO ESOP” in Appendix IV to this document.

We have applied to: (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, respectively, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company and the exemption would not prejudice the interests of the investing public for the following reasons:

- (a) given that 903 grantees are involved for the granting of outstanding options, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Pre-IPO ESOP in this document would be costly and unduly burdensome for us in light of a significant increase in cost and timing for information compilation and prospectus preparation;
- (b) as of the Latest Practicable Date, among all the grantees, apart from the grantees which are disclosed on an individual basis, being one Director, one senior management, two other connected persons of our Company and seven grantees who were granted options to subscribe for 400,000 Shares or more (who are not Directors or members of senior management or connected persons of the Company), the remaining 892 grantees were other employees of the Group and JD Group and its associates (as applicable) and are not connected persons of our Company. Strict compliance with the above requirements to disclose names, addresses, and entitlements on an individual basis will require substantial additional disclosure and does not provide any material nor meaningful information to the investing public;
- (c) the 892 grantees who are not Directors, members of the senior management, connected persons of our Company or grantees who were granted options to subscribe for 400,000 Shares or more (who are not Directors or members of senior management or connected persons of the Company) have been granted outstanding options to acquire an aggregate of 36,787,729 Shares, representing approximately 1.37% of the total number of Shares in issue immediately after completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Pre-IPO ESOP), which is not material in the circumstances of our

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

Company, and exercise in full of the outstanding options under the Pre-IPO ESOP will not cause any material adverse impact to our financial position;

- (d) non-compliance with the above disclosure requirements would not prevent us from providing our potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and
- (e) material information relating to the shares under the Pre-IPO ESOP has been disclosed in this document to provide prospective investors with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the outstanding options in making their investment decision, and such information includes:
 - (i) a summary of the principal terms of the Pre-IPO ESOP;
 - (ii) the aggregate number of Shares subject to the outstanding options and the percentage of our Shares of which such number represents;
 - (iii) the dilutive effect and the impact on earnings per Share upon full exercise of the outstanding options immediately following completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and no further Shares are issued under the Pre-IPO ESOP);
 - (iv) full details of the outstanding options granted to Directors, senior management, other connected persons (if any) of our Company and grantees who have been granted options to subscribe for 400,000 Shares or more (who are not Directors or members of senior management or connected persons of the Company), on an individual basis, are disclosed in this document, and such details include all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part 1 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
 - (v) with respect to the outstanding options granted to other grantees (other than those referred to in (iv) above), disclosure are made on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being (1) 1-19,999; (2) 20,000-99,999; (3) 100,000 to 199,999; and (4) 200,000 to 399,999, and for each lots of Share, the following details are disclosed in this document, including (1) the aggregate number of such grantees and the aggregate number of Shares subject to the outstanding options; (2) the consideration paid for the grant of the outstanding options; and (3) the exercise period of the outstanding options and the exercise price for the outstanding options;
 - (vi) the particulars of the waiver and exemption granted by the Stock Exchange and the SFC, respectively; and
 - (vii) a full list of all the grantees under the Pre-IPO ESOP, containing all the particulars as required under the applicable Share Option Disclosure Requirements be made available for physical public inspection in accordance with the section headed “Documents Delivered to the Registrar of Companies and Available on Display—Document Available for Inspection” in Appendix V to this document.

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

The Stock Exchange has granted to us a waiver from strict compliance with the applicable Pre-IPO ESOP disclosure requirements on the conditions that:

- (i) on an individual basis, full details of the outstanding options granted to each of our Directors, senior management, other connected persons of our Company and grantees who have been granted options to subscribe for 400,000 Shares or more (who are not Directors or members of senior management or connected persons of the Company) under the Pre-IPO ESOP will be disclosed in the section headed “Statutory and General Information—D. Share Incentive Plans—1. Pre-IPO ESOP” in Appendix IV to this document as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (ii) in respect of the outstanding options granted to remaining grantees (being the grantees other than those referred to in (i) above) under the Pre-IPO ESOP, disclosure will be made, on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being (1) 1-19,999; (2) 20,000-99,999; (3) 100,000 to 199,999; and (4) 200,000 to 399,999, and for each lots of Share, the following details will be disclosed in this document, including (1) the aggregate number of grantees and the aggregate number of Shares underlying the outstanding options under the Pre-IPO ESOP, (2) the consideration (if any) paid for the grant of the outstanding options under the Pre-IPO ESOP and (3) the exercise period of the outstanding options and the exercise price of the outstanding options granted under the Pre-IPO ESOP;
- (iii) the aggregate number of Shares underlying the outstanding options granted under the Pre-IPO ESOP and the percentage to our total issued share capital represented by such number of Shares as of the Latest Practicable Date;
- (iv) the dilutive effect and impact on earnings per Share upon the full exercise of the outstanding options under the Pre-IPO ESOP will be disclosed in the section headed “Statutory and General Information—D. Share Incentive Plans—1. Pre-IPO ESOP” in Appendix IV to this document;
- (v) a summary of the major terms of the Pre-IPO ESOP will be disclosed in the section headed “Statutory and General Information—D. Share Incentive Plans—1. Pre-IPO ESOP” in Appendix IV to this document;
- (vi) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (vii) a full list of all the grantees under the Pre-IPO ESOP, containing all the particulars as required under the applicable Share Option Disclosure Requirements be made available for physical public inspection in accordance with the section headed “Documents Delivered to the Registrar of Companies and Available on Display—Document Available for Inspection” in Appendix V to this document; and
- (viii) the particulars of the waiver will be disclosed in this document and this document will be issued on or before December 3, 2025.

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

The SFC has granted to our Company a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

- (i) on an individual basis, full details of the outstanding options granted to each of our Directors, senior management, other connected persons of our Company and grantees who have been granted options to subscribe for 400,000 Shares or more (who are not Directors or members of senior management or connected persons of the Company) under the Pre-IPO ESOP will be disclosed in the section headed “Statutory and General Information—D. Share Incentive Plans—1. Pre-IPO ESOP” in Appendix IV to this document as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (ii) in respect of the outstanding options granted to remaining grantees (being the grantees other than those referred to in (i) above) under the Pre-IPO ESOP, disclosure will be made, on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being (1) 1-19,999; (2) 20,000-99,999; (3) 100,000 to 199,999; and (4) 200,000 to 399,999, and for each lots of Share, the following details are disclosed in this document, including (1) the aggregate number of grantees and the aggregate number of Shares underlying the outstanding options under the Pre-IPO ESOP, (2) the consideration (if any) paid for the grant of the outstanding options under the Pre-IPO ESOP and (3) the exercise period of the outstanding options and the exercise price of the outstanding options granted under the Pre-IPO ESOP;
- (iii) a full list of all the grantees (including those persons whose details have already been disclosed) under the Pre-IPO ESOP, containing all the particulars as required under the paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for physical public inspection in accordance with the section headed “Documents Delivered to the Registrar of Companies and Available on Display—Document Available for Inspection” in Appendix V to this document; and
- (iv) the particulars of the exemption will be disclosed in this document and this document will be issued on or before December 3, 2025.

WAIVER AND EXEMPTION IN RELATION TO DISCLOSURE OF INTERESTS INFORMATION

As disclosed in the prospectus of JD.com dated June 8, 2020 (the “**JD.com Prospectus**”), JD.com is subject to the U.S. Exchange Act, which requires any person (including directors and officers of the company concerned) who acquires beneficial ownership, as determined in accordance with the rules and regulations of the U.S. SEC, of more than 5% of a class of equity securities registered under Section 12 of the U.S. Exchange Act, to file beneficial ownership reports with the U.S. SEC. These persons must also promptly report any material change in the information provided (including any acquisition or disposition of 1% or more of the class of equity securities concerned), unless exceptions apply. JD.com applied for, and was granted, (a) a partial exemption by the SFC under section 309(2) of the SFO from the provisions of Part XV of the SFO (other than Divisions 5, 11

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

and 12 of Part XV of the SFO) and (b) a waiver by the Stock Exchange from strict compliance with Practice Note 5 of, and paragraphs 41(4) and 45 of Appendix D1A to, the Listing Rules (the “**JD.com Disclosure Exemption and Waiver**”) subject to the conditions that: (a) the bulk of trading in the shares of JD.com is not considered to have migrated to Hong Kong on a permanent basis in accordance with Rule 19C.13 of the Listing Rules; (b) all disclosures of interests filed with the SEC are also filed with the Hong Kong Stock Exchange as soon as practicable, which will then publish such disclosures in the same manner as disclosures made under Part XV of the SFO; and (c) JD.com shall advise the SFC if there is any material change to any of the information which has been provided to the SFC, including any significant changes to the disclosure requirements in the United States and any significant changes in the volume of JD.com’s worldwide share turnover that takes place on the Hong Kong Stock Exchange.

We have applied for, and the SFC has granted, 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 from time to time (the “**Common Director(s)/Chief Executive(s)**”) with respect to their disclosure of interest, and short positions, in any shares in JD.com and other associated corporations of the Company which are subsidiaries of JD.com (the “**Associated Corporations**”), subject to the conditions that (i) JD.com maintains its secondary listing on the Stock Exchange pursuant to Chapter 19C of the Listing Rules; (ii) the Company continues to be a subsidiary of JD.com; (iii) the Common Director(s)/Chief Executive(s) must file with the Stock Exchange all disclosure of interests notices filed with the SEC in respect of interests in JD.com and the Associated Corporations as soon as practicable on the basis that the Stock Exchange will publish these disclosures in the same way as those it receives from other listed corporations pursuant to Part XV of the SFO; (iv) the Company shall advise the SFC if there is any change to the Common Director(s)/Chief Executive(s) set out in the Company’s exemption application to the SFC; and (v) the Company shall advise the SFC if there is any material change to any of the information which has been provided to the SFC, including any significant changes to the disclosure requirements in the United States or any material change to the facts set out in the Company’s Part XV exemption application to the SFC. As of the Latest Practicable Date, Richard Qiangdong Liu (劉強東) is the only Common Director and there is no other Common Director(s)/Chief Executive(s). For the avoidance of doubt, this exemption does not apply to disclosure obligations of (i) the Company’s directors or chief executives in respect of their interests, and short positions, in any shares in the Company (or any of its subsidiaries or 20%-owned corporations) and their interests in any debentures of the Company (or any of its subsidiaries or 20%-owned corporations), and (ii) the Common Director(s)/Chief Executive(s) who are already subject to disclosure requirements under Part XV of the SFO in relation to their respective interests in the Associated Corporations, which are or will become “listed corporations” as defined under Part XV of the SFO, and the disclosure obligations of which have not been waived by the SFC. The exemption is given based on the particular circumstances of the Company and should not be regarded as a precedent for other applications. This exemption may be reconsidered by the SFC in the event there is any material change in the information provided to the SFC.

We have also applied for, and the Stock Exchange has granted, a waiver from strict compliance with Practice Note 5 of, 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 Director(s)/Chief Executive(s) will not be required to disclose

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

their interests and short positions in any shares or underlying shares in the Associated Corporations in accordance with Part XV of the SFO, subject to the conditions that (i) the SFC granting the Common Director(s)/Chief Executive(s) a partial exemption from strict compliance with Part XV of the SFO; (ii) JD.com maintains its secondary listing on the Stock Exchange under Chapter 19C of the Listing Rules; (iii) we will disclose in the relevant document any shareholding interests as disclosed in an SEC filing and the relationship between our directors, officers, members of committees and their relationship to any controlling shareholders; (iv) the disclosure of the interests of the Common Director(s)/Chief Executive(s) in accordance with Part XV of the SFO would not be material or meaningful to investors and the non-disclosure of such information will not prejudice the interests of the investing public in Hong Kong; and (v) such waiver will not be regarded as a precedent for other listing applications given our Company's unique and case-specific circumstances.

WAIVER FROM STRICT COMPLIANCE WITH RULE 10.04 OF THE LISTING RULES AND THE STOCK EXCHANGE'S CONSENT UNDER PARAGRAPH 1C OF APPENDIX F1 TO THE LISTING RULES IN RESPECT OF SUBSCRIPTIONS OF OFFER SHARES BY EXISTING SHAREHOLDER AND CLOSE ASSOCIATES OF EXISTING SHAREHOLDERS AS CORNERSTONE INVESTORS

Rules 2.03(2) and 2.03(4) of the Listing Rules require the issue and marketing of securities to be conducted in a fair and orderly manner, and that all holders of listed securities be treated fairly and equally.

Rule 10.04 of the Listing Rules provides that an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions set out in Rules 10.03(1) and (2) are fulfilled:

- (i) that no securities are offered to them on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and
- (ii) that the minimum prescribed percentage of public shareholders required by Rule 8.08 of the Listing Rules is achieved.

Paragraph 1C of Appendix F1 to the Listing Rules provides that, without the prior written consent of the Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees, unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Paragraph 12 of Chapter 4.15 of the Guide provides that the Stock Exchange would ordinarily agree to grant a consent and waiver for allocation to existing shareholders or their close associates if it is satisfied that the actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Paragraph 13 of Chapter 4.15 of the Guide sets out the conditions required to be fulfilled when the Stock Exchange considers granting a waiver and consent from Rule 10.04 of the Listing Rules to placing to existing shareholders or their close associates.

As further described in the section headed "Cornerstone Investors" in this Prospectus, each of (1) the M&G Investors (as defined in the section headed "Cornerstone Investors" in this Prospectus), which

**WAIVERS FROM STRICT COMPLIANCE WITH
THE LISTING RULES AND EXEMPTIONS FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

comprises The Prudential Assurance Company Limited, an existing shareholder, and other investors which are close associates of The Prudential Assurance Company Limited, an existing shareholder; and (2) CPE Elm Investment Limited, a close associate of C-Open Education Investment Limited, an existing shareholder, has entered into cornerstone investment agreement with the Company.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 10.04 of the Listing Rules and a prior written consent under paragraph 1C of Appendix F1 to the Listing Rules in relation to the proposed subscription of the Offer Shares by the M&G Investors and CPE Elm Investment Limited on the following grounds and conditions:

- (i) as of the Latest Practicable Date, the approximate shareholding of each of The Prudential Assurance Company Limited and C-Open Education Investment Limited in the Company is 0.94% and 1.22%, respectively, each of which is less than 5% of the Company's voting rights prior to the Listing. In addition, each of The Prudential Assurance Company Limited and C-Open Education Investment Limited and its close associates (including the M&G Investors and CPE Elm Investment Limited) is not core connected person of the Company nor its close associate;
- (ii) each of The Prudential Assurance Company Limited and C-Open Education Investment Limited and its close associates (including the M&G Investors and CPE Elm Investment Limited) does not have the power to appoint Directors or any other special rights in the Company upon Listing;
- (iii) no preferential treatment has been, or will be, given to each of The Prudential Assurance Company Limited and C-Open Education Investment Limited and its close associates (including the M&G Investors and CPE Elm Investment Limited) by virtue of them being existing shareholders and its close associates of the Company, other than the preferential treatment of assured entitlement under the cornerstone investment. The cornerstone investment agreement to be entered into with the M&G Investors and CPE Elm Investment Limited will not contain any material term which is more favourable to the M&G Investors and CPE Elm Investment Limited than those in other cornerstone investment agreements;
- (iv) the allocation to the M&G Investors and CPE Elm Investment Limited will not affect our Company's ability to satisfy the minimum public float requirement under Rule 8.08(1) of the Listing Rules;
- (v) the details of the allocation of Offer Shares to the M&G Investors and CPE Elm Investment Limited, including the identity and background information of the M&G Investors and CPE Elm Investment Limited, and the material terms of their investments as cornerstone investors, will be disclosed in this prospectus, and the Company will also disclose the waiver and consent granted in this prospectus; and
- (vi) results of allocation of Offer Shares to the M&G Investors and CPE Elm Investment Limited will be disclosed in the Company's allotment results announcement to be published in connection with the Global Offering.

INFORMATION ABOUT THIS DOCUMENT AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT

This document, for which our Directors (including any proposed director who is named as such in this document) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters the omission of which would make any statement herein or this document misleading.

THE HONG KONG PUBLIC OFFERING AND THIS DOCUMENT

This document is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this document sets out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this document, and on the terms and subject to the conditions set out herein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this document, and any information or representation not contained herein must not be relied upon as having been authorized by (i) our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and any of the Underwriters, (ii) any of their respective directors, agents, employees or advisers, or (iii) any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators and the Joint Global Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters under the terms of the International Underwriting Agreement.

The Offer Price is expected to be fixed among the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, December 9, 2025 and, in any event, not later than 12:00 noon on Tuesday, December 9, 2025. If, for whatever reason, the Offer Price is not agreed between the Overall Coordinators and our Company on or before 12:00 noon on Tuesday, December 9, 2025, the Global Offering will not become unconditional and will lapse immediately.

See the section headed “Underwriting” for further information about the Underwriters and the underwriting arrangement.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The application procedures for the Hong Kong Offer Shares are set forth in the section headed “How to apply for Hong Kong Offer Shares” in this document.

CSRC FILING

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the “**Trial Measures**”) and five

INFORMATION ABOUT THIS DOCUMENT AND THE GLOBAL OFFERING

supporting guidelines, released by the CSRC on February 17, 2023, which came into effect on March 31, 2023, domestic companies that seek to offer and list securities overseas, directly or indirectly, should fulfill the filing procedure and report relevant information to the CSRC. Pursuant to the Trial Measures, any overseas offering and listing made by an issuer that meets both of the following conditions will be deemed as indirect overseas offering and listing that should be filed with the CSRC: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by PRC domestic companies; and (ii) the key aspects of the issuer's business activities are conducted in mainland China, or its main places of operations are located in mainland China, or the senior managers in charge of its operation and management are mostly Chinese citizens or domiciled in the PRC.

Given that our domestic operating entities generated a substantial amount of our total revenue as shown in our audited consolidated financial statements for the year ended December 31, 2022 and that our business activities are mainly conducted in the PRC, our PRC Legal Adviser is of the opinion that we are required to go through the filing procedures with the CSRC with respect to the offering and listing after the submission of our application to the Stock Exchange. We have submitted the filing application for the Listing to the CSRC on April 2, 2023. The CSRC issued a notification regarding our filing pursuant to the Trial Measures for the Global Offering, and confirmed our completion of the filing on September 19, 2025.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set forth in the section headed "Structure of the Global Offering" in this document.

SELLING RESTRICTIONS ON OFFER AND SALE OF SHARES

Each person acquiring the Offer Shares will be required to, or be deemed by their acquisition of Offer Shares to, confirm that they are aware of the restrictions on offers of the Offer Shares described in this document.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this document in any jurisdiction other than Hong Kong. Accordingly, this document may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this document and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, (i) our Shares in issue (including the shares on conversion of the Preference Shares) and to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option); and (ii) the Shares to be issued under the Share Incentive Plans.

INFORMATION ABOUT THIS DOCUMENT AND THE GLOBAL OFFERING

We applied on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2024 being RMB20.4 billion (equivalent to approximately HK\$22.3 billion), which is over HK\$500 million, and (ii) our expected market capitalization at the time of Listing, which, based on the low-end of the indicative Offer Price range, exceeds HK\$4 billion.

Dealings in the Shares on the Stock Exchange are expected to commence on Thursday, December 11, 2025. No part of our Shares or debt securities is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought. All the Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in the section headed “Structure of the Global Offering.” Assuming that the Over-allotment Option is exercised in full, our Company may be required to allot and issue up to an aggregate of 31,681,200 additional Shares.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance, and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

SHARE REGISTER AND STAMP DUTY

Our principal register of members will be maintained in the Cayman Islands by our Principal Share Registrar. Our Hong Kong branch register of members will be maintained in Hong Kong by our Hong Kong Share Registrar.

All Offer Shares issued pursuant to applications made in the Global Offering will be registered in our Hong Kong branch register of members to be maintained in Hong Kong by its Hong Kong Share Registrar. Dealings in the Shares registered in our Hong Kong register of members will be subject to Hong Kong stamp duty. Unless determined otherwise by our Company, dividends payable in

INFORMATION ABOUT THIS DOCUMENT AND THE GLOBAL OFFERING

Hong Kong dollars in respect of Shares will be paid to the shareholders listed on the Hong Kong share register of our Company, by ordinary post, at the shareholders' risk, to the registered address of each shareholder.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the Shares or exercising any rights attached to them. It is emphasized that none of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our/their respective affiliates, directors, supervisors, employees, agents or advisers or any other party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, holders of the Shares resulting from the subscription, purchase, holding, or disposal of the Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for convenience purposes, this document includes translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the Renminbi amounts could actually be converted into another currency at the rates indicated, or at all.

Unless otherwise indicated (i) the translation between Renminbi and Hong Kong dollars was based on the rate of RMB1 to HK\$1.0985, and (ii) the translation between U.S. dollars and Hong Kong dollars was based on the rate of US\$1 to HK\$7.7859.

TRANSLATION

If there is any inconsistency between the English version of this document and the Chinese translation of this document, the English version of this document shall prevail unless otherwise stated. However, the English names of any Laws, Governmental Authorities, institutions, natural persons or other entities for which no official English translation exists are unofficial translations for your reference only and their names in the original language shall prevail.

ROUNDING

Certain amounts and percentage figures included in this document have been subject to rounding adjustments, or have been rounded to a set number of decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart in this document between total and sum of amounts listed therein are due to rounding.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Director		
Chunzheng Song (宋春正)	Room 103, Building 3 Shijicheng Chenyueyuan Shuguang Road Haidian District Beijing People's Republic of China	Chinese
Non-executive Directors		
Richard Qiangdong Liu (劉強東)	Room 902, Unit 2, Building 3 Courtyard 3, Sanyang North Street Beijing People's Republic of China	Chinese
Bingdong Xu (徐炳東)	1804, Building 11 No. 377 Pingxingguan Road Jing'an District Shanghai People's Republic of China	Chinese
Independent non- executive Directors		
Hanhui Sam Sun (孫含暉)	No. 601 2/F Door 3, No. 64 Donggong Road Dongcheng District Beijing People's Republic of China	Chinese
Xin Tang (湯欣)	No. 143 Northwest One Building Tsinghua University Haidian District Beijing People's Republic of China	Chinese
Po Fong Nancy Ku (顧寶芳)	39A, Block 9, Tung Chung Crescent 1 Hing Tung Street Tung Chung Hong Kong	Chinese

See the section headed “Directors and Senior Management” in this document for further details.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

Merrill Lynch (Asia Pacific) Limited

55/F Cheung Kong Center
2 Queen's Road Central
Central
Hong Kong

UBS Securities Hong Kong Limited

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Company website	jingdongindustrials.com <i>(the information contained on this website does not form part of this document)</i>
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INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this prospectus were extracted from the report prepared by China Insights Consultancy, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged China Insights Consultancy to prepare the CIC Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors and Joint Sponsor-Overall Coordinators, Financial Adviser, Overall Coordinators, the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, any of the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

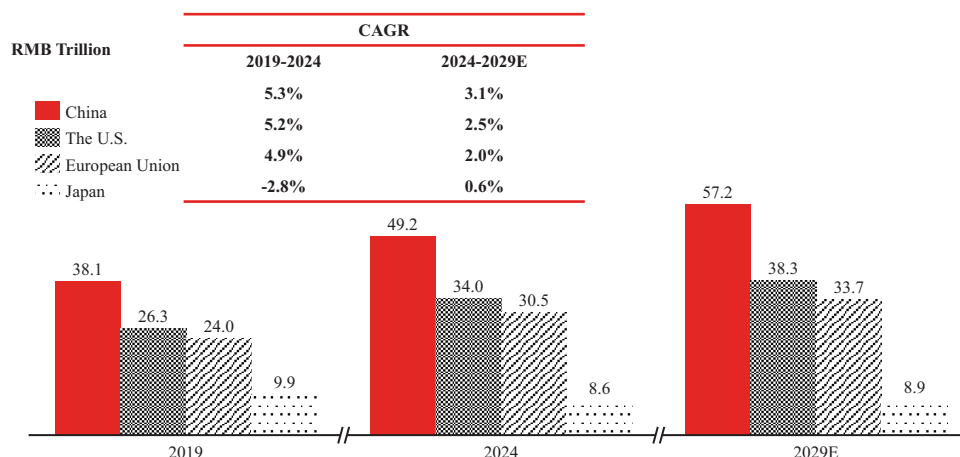
China's secondary industry is the largest globally in 2024 in terms of output value. China's comprehensive and sophisticated industrial ecosystem provides fertile ground for the industrial supply chain technology and service market. As industrial enterprises increasingly embrace the digital transformation of supply chain and adopt more innovative technology and services, China's industrial supply chain technology and service market is expected to grow significantly. As the digital transformation of the industrial supply chain continues to develop and evolve, market players are expanding their service offerings from facilitating information exchange to digitalizing every aspect of the industrial supply chain, from products, procurement, fulfillment to operations. They are also optimizing their technology and services to help their customers increase supply chain reliability, reduce costs, enhance efficiency, and ensure compliance.

OVERVIEW OF CHINA'S SECONDARY INDUSTRY

China's secondary industry has grown by more than 250 times in terms of output value over the past 47 years. China has established a world-leading, comprehensive and resilient modern industrial ecosystem, and has become the only country in the world that has all industrial categories listed in the United Nations Industrial Classification. The output value of the secondary industry in China grew at a CAGR of 5.3% from RMB38.1 trillion in 2019 to RMB49.2 trillion in 2024, and is expected to further grow at a CAGR of 3.1% from 2024 to RMB57.2 trillion in 2029. China's secondary industry accounted for approximately 23.7% of the global secondary industry in terms of output value in 2024. The size and growth rate of China's secondary industry has outpaced those of the other major economies such as the U.S., European Union and Japan in terms of output value in recent years. It is expected that China will continue to lead the growth of global secondary industry in the near future.

INDUSTRY OVERVIEW

The Output Value of the Secondary Industry, in China, the U.S., European Union, and Japan, 2019-2029E



Source: World Development Indicators, IMF, CIC Report

Compared to the U.S., China has a more comprehensive and sophisticated industrial ecosystem, and has a greater number of leading industrial enterprises. As of December 31, 2024, China has 72 “lighthouse factories¹”, accounting for over two-fifths of the world’s total number of lighthouse factories, compared to 11 in the U.S. As of December 31, 2024, China’s secondary industry had more than 6.0 million industrial enterprises, among which small and medium enterprises accounted for more than 98.0%, whereas the U.S. only had 0.8 million industrial enterprises. This indicates that China has a more fragmented market. China’s vast secondary industry, together with the fragmented market landscape, present huge opportunities for digitalization of industrial supply chains.

China’s industrial enterprises are faced with high operating costs and low procurement efficiency. According to the National Bureau of Statistics of China, the total operating costs for industrial enterprises above the designated size² in China reached RMB117.3 trillion in 2024 and accounted for 85.2% of their total operating revenue. Meanwhile, the digital penetration rate for China’s enterprise procurement, defined as the digitalized procurement expenditure as a percentage of the total enterprise procurement expenditure, was only approximately 11% in 2024. Participants in China along the industrial supply chain have been calling for digital transformation to reduce costs and enhance efficiency, translating to significant growth potential for China’s industrial supply chain technology and service market.

¹ “Lighthouse factories” were selected by the World Economic Forum Davos. These lighthouse factories are considered as “the most advanced factory in the world”, indicating “digital manufacturing” and “globalization 4.0.” The lighthouse factories were selected to represent the highest level of smart manufacturing and digitalization in the global manufacturing industry today.

² Refer to industrial enterprises with annual operating revenue of no less than RMB20 million from their main business.

INDUSTRY OVERVIEW

OVERVIEW OF CHINA'S INDUSTRIAL SUPPLY CHAIN TECHNOLOGY AND SERVICE MARKET

Overview of China's Industrial Supply Chain Market

Industrial products consist of parts and materials in process for manufacturing and replacement use, and non-production tools used by industrial enterprises for daily operations, including MRO products and BOM products. The industrial supply chain market consists of sales of industrial products, and provision of services in sourcing, procurement, fulfillment, operation along the industrial supply chain between suppliers and customers.

China's industrial supply chain market grew at a CAGR of 6.6% from RMB8.3 trillion in 2019 to RMB11.4 trillion in 2024, and is expected to further grow at a CAGR of 3.9% from 2024 to RMB13.8 trillion in 2029. In 2024, China led the global industrial supply chain market with the largest market size. The size of industrial supply chain market in the U.S. was RMB7.3 trillion in the same year, representing only 63.6% of that of China.

Pain Points Faced by China's Industrial Supply Chain Participants

Demand end

Lack of one-stop service. Despite customers' demand for end-to-end industrial supply chain digitalization, most market players are only able to provide isolated solutions covering one or just a few specific segments within the supply chain and fail to integrate digitalization and products, resulting in incompatibility among different systems, insufficient quality control, unsatisfactory customer services and inefficient operations.

Non-standardized products. China's industrial supply chain features a vast array of non-standardized products, leading to high communication and transaction costs for all industry participants. Customers often face difficulties in identifying and sourcing desired industrial products, resulting in low procurement efficiency and mismatches between demand and supply.

Lack of price transparency and inefficient procurement management. China's industrial supply chain also features complicated and highly fragmented intermediary channels with redundant distribution layers, resulting in information asymmetry and inefficiency across the supply chain. The pricing of industrial products is often opaque, with distributors and resellers charging unreasonably high price mark-ups. In addition, enterprises often have inefficient procurement management over the sourcing, procurement, and fulfillment processes of industrial products.

Unsatisfactory fulfillment. Customers often bear high fulfillment costs and endure unreliable or delayed product deliveries as a result of the fragmented supply side, redundant distribution layers, poor coordination between warehouse and logistics service providers and insufficient last-mile delivery infrastructure, which disrupts their normal business operations.

Supply end

Inefficient product and inventory management. The massive, non-standardized and long-tail features of industrial products lead to difficulties on the supply side in predicting market demand, making accurate and informed production plans, and maintaining efficient inventory levels. China's industrial product suppliers are either faced with working capital management costs associated with excess inventory, or opportunity costs from missed sales.

INDUSTRY OVERVIEW

Limited sales channels and depressed profit margin. The traditional supply chain framework typically has multiple layers of industrial product distributors and resellers. Manufacturers and other suppliers heavily rely on distributors and resellers to reach a limited number and types of customers. The profits that can be realized by manufacturers and other suppliers are significantly affected by this multi-layered distribution model, under which price mark-ups are charged by each layer of distributors and resellers.

Product Cost and Fulfillment Expense Analysis for the Industrial Supply Chain Market

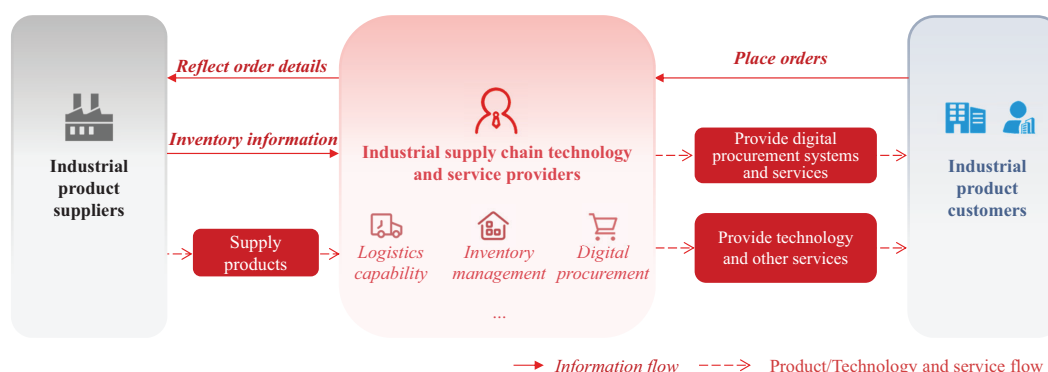
In general, costs of and fulfillment expenses for industrial products increased from 2021 to 2024. Costs of most industrial products in China increased by approximately 10% from 2021 to 2023 according to Yongkang Hardware Product Price Index that was published with the approval by the MOFCOM, mainly as a result of the inflation and rising costs of raw materials used in industrial production. It is expected that the costs of industrial products will be relatively stabilized in the next five years. The temporary supply disruption and strains on product shipping and delivery due to the COVID-19 pandemic led to increased fulfillment expenses from 2021 to 2022. In particular, shipping costs of industrial products significantly increased in 2021, which subsequently slightly decreased in 2022. The fulfillment expenses as a percentage of revenues were approximately 5% for the industry's top players in 2024. It is expected that the fulfillment expenses as a percentage of revenues will slightly decrease and be relatively stable in the next five years.

Overview of China's Industrial Supply Chain Technology and Service Market

Industrial supply chain technology and services refer to technology and services provided to suppliers and customers of industrial products in order to increase supply chain reliability, reduce explicit and implicit cost, improve efficiency, and ensure compliance by streamlining procurement and other operational processes through digitalization.

Industrial supply chain technology and service providers connect industrial product suppliers with customers by utilizing their technology and service capabilities. The following diagram sets forth the value chain of this market:

The Value Chain of China's Industrial Supply Chain Technology and Service Market



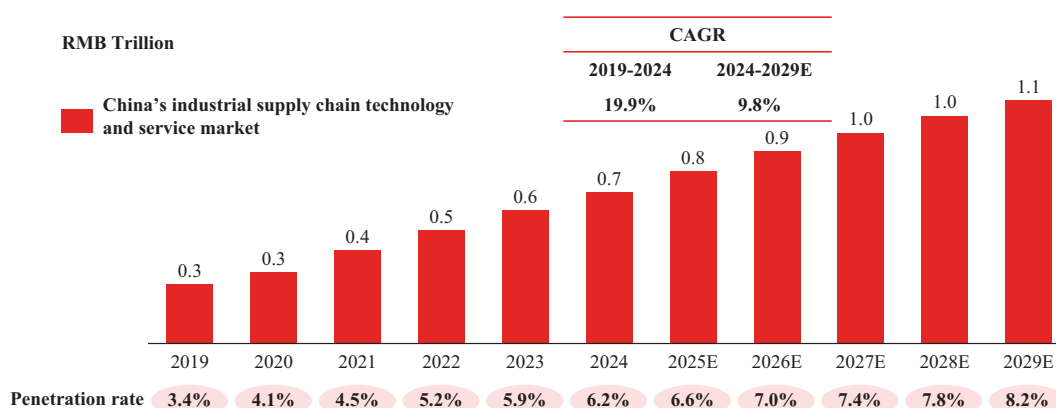
Source: CIC Report

The size of China's industrial supply chain technology and service market in terms of GMV was RMB0.7 trillion in 2024 and is expected to reach RMB1.1 trillion by 2029 at a CAGR of 9.8%. China's

INDUSTRY OVERVIEW

industrial supply chain technology and service penetration rate, defined as the size of the industrial supply chain technology and service market divided by the size of the industrial supply chain market, was 6.2% in 2024, while this rate in the U.S. was approximately 15%. China's industrial supply chain technology and service penetration rate is expected to increase to 8.2% in 2029. In addition to the Company, other major Chinese industrial supply chain technology and service providers include EHSY, CECport, JLC Technology Group and ZKH.

The Size of China's Industrial Supply Chain Technology and Service Market in terms of GMV, 2019-2029E



Source: CIC Report

Drivers of China's Industrial Supply Chain Technology and Service Market

Increasing need for procurement digitalization to reduce cost and improve efficiency. Chinese industrial enterprises have been long suffering from high operating costs and low procurement efficiency. They have imminent demand for cost reduction and efficiency improvement to maintain competitiveness. Upstream suppliers of industrial products are highly fragmented in China, and most of them only offer limited categories of industrial products. Therefore, procurement departments of industrial enterprises often have to purchase all needed products through a multi-layered distribution chain, resulting in increased labor and procurement costs. As a result, more and more industrial enterprises are having imminent demand for industrial supply chain technology and service providers who can offer comprehensive categories of industrial products, provide transparent pricing information, and provide timely and reliable product fulfillment, which presents huge opportunities for industrial supply chain technology and service providers to gain a foothold in the market.

Need for transparent procurement and support of the "Sunshine Project." Chinese industrial enterprises have placed increasing emphasis on transparent procurement. The Chinese government has implemented the "Sunshine Project" since 2015, and further announced the launch of Phase IV of the Golden Tax System (GTS) in 2022. These policies further propel enterprises to shift their procurement process online and ensure transparent procurement. A growing number of enterprises have realized the benefits of transparent procurement and have started embracing supply chain digitalization, driving the development of industrial supply chain technology and services.

Convenience of online procurement for industrial enterprises. More and more Chinese industrial enterprises demand for online procurement platforms that integrate all the industrial supply

INDUSTRY OVERVIEW

chain services, including product ordering, online payment, logistics information, invoice reconciliation, after-sales management and others, to satisfy their procurement demand with convenience and efficiency.

Development of technology infrastructure. With the rapid development of technologies, such as big data, cloud computing and AI, the digitalization within enterprises' internal operations has greatly improved and digitalization solutions including SaaS are more widely and frequently used. These technologies propel Chinese industrial enterprises to establish and maintain better connection with digital platforms and function modules offered by industrial supply chain technology and service providers. Moreover, the development of advanced technologies also elevates the digitalization level of various stakeholders, such as suppliers and logistics service providers, across the industrial supply chain, paving the way for the adoption of online procurement.

Advantages of Comprehensive Industrial Supply Chain Technology and Service Model

China's industrial supply chain technology and service providers have three major types of business models:

- **Comprehensive model:** Comprehensive industrial supply chain technology and service providers, as represented by the Company, are capable of bringing forth end-to-end digital transformation for the entire industrial supply chain. This unique feature differentiates such providers from their peers that adopt a direct sales or a marketplace model, both of which are more limited in terms of their value-add to the industry.
- **Direct sales model:** Providers with a direct sales model often bear inventories and have to build out their own fulfillment capabilities. They use digitalization tools to complement their existing business models.
- **Marketplace model:** Marketplace providers develop and operate online platforms mainly to facilitate information exchange without fundamentally digitalizing the whole industrial supply chain, due to their limited domain knowledge.

Comparison Among Major Models of China's Industrial Supply Chain Technology and Service Providers

Participant type	Product coverage	Product digitalization	Efficiency improvement	Cost reduction	Service coverage	Technology services
Comprehensive Model	●	●	●	●	●	●
Direct Sales Model	◐	◐	◐	◐	◐	◐
Marketplace Model	◐	◐	◐	◐	◐	◐

● Significantly improved or fully covered

◐ Partially improved or covered

◑ Slightly improved or covered

Source: CIC Report

INDUSTRY OVERVIEW

The comprehensive industrial supply chain technology and service model has the following major advantages over other models:

Comprehensive offerings. Comprehensive industrial supply chain technology and service providers digitalize the entire supply chain by leveraging technologies. They integrate resources across the supply chain, including industrial product inventories, production capacities and fulfillment resources. They also provide technology and other services to assist customers in efficiently managing their product procurement and equipment lifecycles.

Efficiency improvement. Comprehensive industrial supply chain technology and service providers enable industrial product suppliers to enjoy improved demand forecast, make informed decisions and maintain efficient production processes by leveraging their industry insights and know-how. Customers also benefit from a one-stop procurement platform provided by comprehensive industrial supply chain technology and service providers to improve their procurement and operation efficiencies. According to a survey conducted by CIC, the overall procurement period of industrial products, defined as the period of time from the generation of procurement requests to the final delivery of industrial products, can be generally reduced by more than 30% by using services provided by comprehensive industrial supply chain technology and service providers.

Cost reduction. Inventory management solutions provided by comprehensive industrial supply chain technology and service providers can significantly reduce inventory management costs for both suppliers and customers. In addition, digitalization of supply chain improves transaction transparency and procurement efficiency, lowering overall costs for industrial enterprises. According to a survey conducted by CIC, the overall procurement cost, defined as the total cost incurred during the entire industrial supply chain, can be reduced by approximately 20%-30% by using services provided by comprehensive industrial supply chain technology and service providers, compared to when these services were not adopted by industrial enterprises.

Entry Barriers to China's Industrial Supply Chain Technology and Service Market

Industry know-how. Industrial products encompass a wide range of categories and specifications. Enterprise customers across various industries have diversified demand and pain points. With the in-depth industry know-how on industrial products and supply chain solutions, leading industrial supply chain technology and service providers can better serve customers by providing customized solutions to address their specific needs across different scenarios.

Supply chain capabilities. To provide end-to-end services, industrial supply chain technology and service providers need to develop strong supply chain capabilities to better mobilize and integrate various industry resources such as industrial product inventories, production capacities, fulfillment services and technology solutions, to ensure high-quality service and high customer satisfaction.

Customer loyalty. Leading industrial supply chain technology and service providers often have a well-established customer base, especially large industrial enterprises with significant and recurring demand for industrial products, and requirements for high-standard customer services. After customer loyalty is established and continuously strengthened through customized services, other market players will face significant barriers for these customers to switch.

Scale effects. A leading industrial supply chain technology and service provider that has a large customer base is well-positioned to secure high-quality industrial product supplies at competitive

INDUSTRY OVERVIEW

prices, which in turn can help attract more customers and suppliers to its platform, thereby reinforcing its market leadership and fueling its further growth.

Future Trends of China's Industrial Supply Chain Technology and Service Market

Product category expansion. Leading industrial supply chain technology and service providers are expected to rapidly expand their offerings from general-purpose MRO products to professional MRO products, and are penetrating into BOM products.

Penetration of digitalization. With the continuous development of technologies, industrial supply chain technology and service providers are expected to continuously expand and deepen the use of digitalization technologies to improve overall supply chain efficiency.

Increase in market concentration. Leading industrial supply chain technology and service providers are expected to continue to consolidate the industry through market share gains by leveraging economies of scale and other competitive advantages, which leads to improved profitability for themselves.

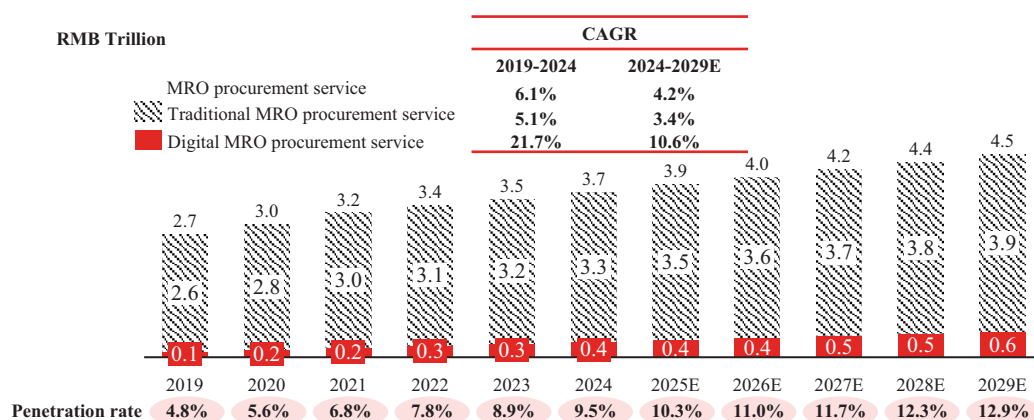
Globalization. Leading industrial supply chain technology and service providers are expected to continue to explore global business opportunities through organic business expansion and/or mergers and acquisitions to expand their international footprint.

OVERVIEW OF THE MRO PROCUREMENT SERVICE INDUSTRY IN CHINA

MRO products refer to maintenance, repair, and operations, meaning goods that support production or business operation, but do not become parts of the final products, which are used for either general purposes or professional purposes in specific industrial scenarios covering a wide range of consumables and equipment categories. MRO procurement service refers to the sourcing, procurement, and other services of MRO products rendered along the supply chain.

The market size of the MRO procurement service in China in terms of GMV was RMB3.7 trillion in 2024, which was more than three times of that in the U.S., and is expected to reach RMB4.5 trillion in 2029, representing a CAGR of 4.2%. In addition to the Company, other major Chinese MRO procurement service providers include EHSY, Xin Fang Sheng, Deli Group and ZKH.

The Size of MRO Procurement Service and Digital MRO Procurement Service Market in terms of GMV, China, 2019-2029E



Source: CIC Report

INDUSTRY OVERVIEW

Digital MRO procurement service shifts the MRO procurement process from offline to online, in the form of e-commerce platform, digital procurement system interface or digital procurement equipment. Digital MRO procurement service streamlines the procurement process and provides data insights for suppliers and customers, thus increasing reliability and transparency of the procurement process, reducing cost and improving efficiency across the supply chain.

The market size of China's digital MRO procurement service industry in terms of GMV reached RMB0.4 trillion in 2024, and is expected to reach RMB0.6 trillion in 2029, representing a CAGR of 10.6%. China's digital MRO procurement service penetration rate, defined as the market size of digital MRO procurement service divided by the market size of MRO procurement service market, was 9.5% in 2024 and still relatively low as compared to that of the U.S., which was more than 15% in 2024. China's digital MRO procurement service penetration rate is expected to reach 12.9% in 2029, driven by increasing acceptance of digital MRO procurement services due to their convenience, transparency and cost-effectiveness.

The leading digital MRO procurement public companies in the U.S. had an average gross margin of above 30% and an average net margin of above 10% in 2024. Benchmarking to the U.S. players, the leading players in China's digital MRO procurement market potentially have further headroom to improve their profitability as penetration of digital MRO procurement service within the broader MRO procurement service industry further increases and the competitive landscape becomes more concentrated.

COMPETITIVE LANDSCAPE

Competitive Landscape of China's Industrial Supply Chain Technology and Service Industry

The Company is the largest industrial supply chain technology and service provider in China in terms of GMV in 2024, had the broadest customer coverage in 2024, and had the broadest SKU offerings under direct sales model as of December 31, 2024. The Company had a market share of 4.1% in the industrial supply chain technology and service market in terms of GMV in 2024. The concentration of this industry is relatively low, leaving significant room for further consolidation.

The Company is the only comprehensive model provider in the industrial supply chain technology and service market, while other market players only provide selected solutions covering one or just a few specific segments within the industrial supply chain.

Comparative Analysis of China's Industrial Supply Chain Technology and Service Industry Players, 2024*

Player	GMV (RMB in billions)	Market share in terms of GMV (%)	Number of SKUs (in millions)**	MRO procurement	BOM procurement	Technology services***
The Company	~28.8	~4.1	~57.1	✓	✓	●
Player A	~10.5	~1.5	~17.0	✓	✓	◐
Player B	~6.5	~0.9	~12.0	✓	×	◑
Player C	~3.3	~0.5	~55.0	×	✓	◒
Player D	~3.2	~0.5	<1.0	✓	✓	◓

Source: CIC Report

Notes:

* To present a fair and balanced description of the competitive landscape, this analysis excludes companies established by a parent holding group primarily to serve its own internal procurement needs within the holding group rather than to address market demand. Due to the nature of such intra-group transactions, the revenues of these out-of-scope companies are typically consolidated and eliminated at the group level.

INDUSTRY OVERVIEW

** Number of SKUs refers to products sold under direct sales model as of December 31, 2024.

*** Technology services include consulting services, technology services, and operational and value-added services. The Harvey Ball is used to represent the extent of a player's coverage in technology services. The fuller the circle, the more services are provided; the emptier the circle, the fewer services are offered.

- (1) Player A mainly provides MRO procurement and fulfillment services to customers, and offer digital and fulfillment solutions for industry participants along the industry value chain. Player A offers MRO products including spare parts, chemicals, manufacturing parts, general consumables, and office supplies. Player A is a listed company established in 1996 with its headquarters in China.
- (2) Player B mainly sells MRO products and provides relevant technology services. Player B has established a logistics center in Zhejiang in order to provide efficient product deliveries, serving a large number of state-owned enterprise customers. Player B is a private company established in 2002 with its headquarters in China.
- (3) Player C mainly provides services covering electronic components distribution and product design. Player C has more than 30 years of track record in supply chain resources accumulation and technology innovation. Player C is a Shenzhen Stock Exchange-listed company established in 2014 with its headquarters in China.
- (4) Player D offers full-industry chain services mainly encompassing electronic component procurement and sales and printed circuit board manufacturing. Player D provides products and services to renowned enterprises across various industries, as well as to universities and research institutions. Player D is a private company established in 2006 with its headquarters in China.

Competitive Landscape of the MRO Procurement Service Industry in China

The Company is the largest MRO procurement service provider in China in terms of GMV in 2024. The Company accounted for 0.8% of the MRO procurement service market in terms of GMV in 2024, which was approximately the sum of the market shares of the market players ranked from second to fifth. Digital MRO procurement service is still at its early stage of development. Early entrants of the digital MRO procurement service market, such as the Company, benefit from significant first-mover advantages, including strong customer loyalty, in-depth industry know-how and product knowledge and superior fulfillment networks, which are difficult to replicate for later market entrants.

China's MRO Procurement Service Market Competitive Landscape, 2024*

Ranking	Player	GMV (in billions)	Market Share in terms of GMV (%)	Number of SKUs (in million)**
1	The Company	~28.8	~0.8	~57.1
2	Player A	~10.5	~0.3	~17.0
3	Player B	~6.5	~0.2	~12.0
4	Player E	~3.0	~0.1	~10.0
5	Player F	~3.0	~0.1	<10.0

Source: CIC Report

Notes:

* To present a fair and balanced description of the competitive landscape, this analysis excludes companies established by a parent holding group primarily to serve its own internal procurement needs within the holding group rather than to address market demand. Due to the nature of such intra-group transactions, the revenues of these out-of-scope companies are typically consolidated and eliminated at the group level.

** Number of SKUs refers to products sold under direct sales model as of December 31, 2024.

- (1) Player E mainly sells construction materials and MRO products. Player E provides professional services to enterprises worldwide, with service centers, warehousing centers and logistics centers covering across China. Player E is a private company established in 1989 with its headquarters in China.
- (2) Player F is a leading solution provider for multi-work and learning environments. Its product line spans 24 major categories, including office and student stationery, office equipment, and office consumables. The company supplies MRO products primarily to numerous state-owned and central enterprises. Player F is a private company established in 1981 with its headquarters in China.

Compared to a more mature market such as the U.S., China's MRO procurement service market is still relatively fragmented. The top 10 companies in China's MRO procurement service market only accounted for approximately 1.5% market share in terms of GMV in 2024, while the top 10 companies in the U.S. MRO procurement service market accounted for approximately 30%-45% market share in 2024. The concentration rate in China is expected to increase further as the incumbent leading players solidify their established competitive advantages.

INDUSTRY OVERVIEW

SOURCES OF INFORMATION

We commissioned China Insights Consultancy, an independent market research and consulting firm, to conduct a detailed research and analysis of China's industrial supply chain technology and service market. China Insights Consultancy, founded in Hong Kong, provides professional services including, among others, industry consulting, commercial due diligence and strategic consulting. We have agreed to pay a fee of RMB1,100,000 to China Insights Consultancy in connection with the preparation of the CIC Report. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the CIC Report. We have extracted certain information from the CIC Report in this section, as well as in the sections headed "Summary", "Risk Factors", "Business", "Financial Information" and elsewhere in this document to provide our potential investors with a more comprehensive presentation of the industry in which we operate.

During the preparation of the CIC Report, China Insights Consultancy performed both primary and secondary research, and obtained knowledge, statistics, information on and industry insights into China's industrial supply chain technology and service market. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The CIC Report was compiled based on the following assumptions: (1) the overall social, economic, and political environment in China is expected to remain stable during the forecast period; (2) relevant key drivers are likely to drive the continued growth of China's industrial supply chain technology and service market throughout the forecast period; and (3) there is no extreme force majeure or unforeseen industry regulations in which the industry may be affected in either a dramatic or fundamental way. All forecasts in relation to market size are based on the general economic conditions as of the Latest Practicable Date.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our industrial supply chain technology and service business has been operating as a stand-alone business unit of JD Group since July 2017. Our Company was first incorporated as an exempted company with limited liability in the Cayman Islands on November 5, 2019, and after a series of internal reorganizations, became the holding company of our current businesses, which mainly comprise of our industrial supply chain technology and services.

Following the completion of the JDI Spin-off, our businesses will be separated and independent from the businesses of the JD Group.

KEY BUSINESS MILESTONES

The following table sets forth our key business development milestones:

Year	Event
2017	In July, our industrial supply chain technology and service business started to operate as a stand-alone business unit of JD Group.
2018	In October, we became a first-tier category on JD.com and secured an entrance on JD.com's homepage.
2020	In August, we completed and fully settled the Series A Preference Shares financing, raising approximately US\$230 million, with a group of third-party investors, including GGV, HSG and CPE, among others.
	In August, Suzhou Gongpinhui became our wholly-owned subsidiary through acquisition.
2021	In January, we completed and fully settled the Series A-1 Preference Shares financing, raising approximately US\$105 million, with a group of third-party investors, including Domking and GGV.
	In September, the Ministry of Industry and Information Technology (MIIT) recognized us as one of the Featured Professional Industrial Internet Platforms (特色專業型工業互聯網平台).
2023	In March, we completed and fully settled the Series B Preference Shares financing at a post-money valuation of approximately US\$6.7 billion with a group of third-party investors, including Mubadala, 42XFund, M&G, BPEA EQT, and HSG. The total transactions amounted to US\$300 million.
	In December, we launched Taipu (太璞), a digital industrial supply chain total solution that integrates digitalization (數) and products (實).

MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The principal business activities and date of establishment of each of our Major Subsidiaries are shown below:

Name of company	Principal business activities	Date and jurisdiction of establishment
Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) ("WFOE")	Our indirect subsidiary (held by JD Industrial Technology (HK) Limited), a wholly foreign owned enterprise and a holding company of certain PRC subsidiaries	March 19, 2020, PRC
Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司) ("Onshore HoldCo")	An affiliated consolidated entity of WFOE and a holding company of certain Consolidated Affiliated Entities	March 29, 2019, PRC

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of company	Principal business activities	Date and jurisdiction of establishment
Beijing JINGDONG Boyan Information Technology Co., Ltd. (北京京東博延信息技術有限公司)	A subsidiary of Onshore Holdco which plans to engage in operation of industrial products marketplace	June 29, 2020, PRC
Suzhou JINGDONG Gongpinhui Information Technology Co., Ltd. (蘇州京東工品匯信息科技有限公司) ("Suzhou Gongpinhui")	A subsidiary of Onshore Holdco which primarily engages in operation of industrial products marketplace	February 25, 2007, PRC
Beijing JINGDONG Digital Intelligence Industrial Technology Co., Ltd. (北京京東數智工業科技有限公司) ("Beijing JINGDONG Industrial")	Our indirect subsidiary (held by JD Industrial Technology (HK) Limited), a wholly foreign owned enterprise and a holding company of certain PRC subsidiaries that primarily engages in the procurement of industrial products	January 22, 2021, PRC
Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京東電解智科技有限公司)	A subsidiary of Beijing JINGDONG Industrial which primarily engages in the provision of technology services	September 27, 2019, PRC
Beihai JINGDONG Industrial Technology Co., Ltd. (北海京東工業技術有限公司)	A subsidiary of Beijing JINGDONG Industrial which primarily engaged in marketing services and technology services during the Track Record Period and currently has no business operations	March 16, 2021, PRC
Beijing JINGDONG Industrial Products Trading Co., Ltd. (北京京東工業品貿易有限公司)	A subsidiary of Beijing JINGDONG Industrial which primarily engages in sales of industrial products	April 12, 2021, PRC
Shanghai JINGDONG Shangpin Trading Co., Ltd. (上海京東尚品貿易有限公司)	A subsidiary of Beijing JINGDONG Industrial	July 16, 2021, PRC
Guangxi JINGDONG Yangqi E-Commerce Co., Ltd. (廣西京東揚啟電子商務有限公司)	A subsidiary of WFOE which primarily engages in marketing services and technology services	December 7, 2022, PRC
Shenzhen JINGDONG Industrial Digital Intelligence Supply Chain Co., Ltd. (深圳京東工業數智供應鏈有限公司)	A subsidiary of Beijing JINGDONG Industrial which primarily engages in cross-border industrial supply chain technology and services	January 10, 2024, PRC

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on November 5, 2019 with an authorized share capital of US\$50,000 divided into 5,000,000 shares with par value of US\$0.01 each. On the same day, we issued one share of par value US\$0.01 to Maricorp Services Ltd., which was subsequently transferred to JD Industrial Technology Limited.

On May 19, 2020, we conducted a share subdivision pursuant to which each share in our then issued and unissued share capital was subdivided into 20,000 shares with par value of US\$0.0000005 each, and subsequently issued 1,640,889,477 Ordinary Shares to JD Industrial Technology Limited on the same day.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

In April 2020, we acquired 62.84% of equity interest of Suzhou Gongpinhui Information Technology Co., Ltd. (renamed on December 7, 2022 as Suzhou JINGDONG Gongpinhui Information Technology Co., Ltd. (蘇州京東工品匯信息科技有限公司)), a company operating an e-commerce marketplace for industrial products, through purchasing shares from then shareholders of Suzhou Gongpinhui at a consideration of RMB170.7 million in cash and RMB106.9 million in the form of 25,220,377 Ordinary Shares issued to Suzhou Yan Ji Network Technology Co., Ltd. In August 2020, we acquired all remaining equity in Suzhou Gongpinhui at a consideration of RMB246.6 million in the form of 8,823,558 Series Pre-A Preference Shares issued to Welight Capital L.P. and 27,174,248 Series Pre-A Preference Shares issued to JD Industrial Technology LLC in which the then shareholders of Suzhou Gongpinhui acquired preferred units on the same date of the issuance. Prior to the acquisition, we held approximately 17.2% of equity interest in Suzhou Gongpinhui. Following the acquisition, Suzhou Gongpinhui became a wholly-owned subsidiary of our Onshore Holdco. The consideration for the acquisition was determined through arm's length negotiation among the parties, taking into account factors such as revenues and earnings of Suzhou Gongpinhui. Based on the unaudited management account of Suzhou Gongpinhui, prior to the acquisition, Suzhou Gongpinhui achieved revenue of RMB1,019.6 million, gross profit of RMB86.8 million, and net loss of RMB94.7 million for the year of 2019. For further information on the background of Suzhou Yan Ji Network Technology Co., Ltd, Welight Capital L.P. and JD Industrial Technology LLC, please refer to “—Information on the Pre-IPO Investors” and “Pre-IPO Investments—1. Overview” below.

Between June 2020 and March 2023, we issued in aggregate 230,000,000 Series A Preference Shares, 99,434,534 Series A-1 Preference Shares and 81,153,148 Series B Preference Shares with par value of US\$0.0000005 each as a result of the pre-IPO financing, further details of which are set out in the section headed “—Pre-IPO Investments” in this section. Please refer to the section headed “—Pre-IPO Investments” in this section for subsequent shareholding changes in connection with completion of the relevant pre-IPO investments.

On September 28, 2021, we issued 19,497,858 Ordinary Shares to JD Industrial Technology Limited at the consideration of US\$23.01 million.

On February 24, 2023, we issued 246,166,972 Ordinary Shares to JD Industrial Technology Limited at the consideration of US\$123.08.

On March 29, 2023, the Company repurchased (i) 5,762,360 ordinary shares held by Suzhou Yan Ji Network Technology Co., Ltd, (ii) 9,558,421 Series Pre-A Preference Shares held by JD Industrial Technology LLC and (iii) 7,779,186 Series Pre-A Preference Shares held by Welight Capital L.P. (together with Suzhou Yan Ji Network Technology Co., Ltd and JD Industrial Technology LLC, being the “**Divesting Holders**”), at a price of US\$1.7354 per share, for a total consideration of approximately US\$40.09 million (the “**Divestment**”). In relation to the repurchased shares held by JD Industrial Technology LLC, the corresponding preferred units in JD Industrial Technology LLC were cancelled subsequent to the Divestment.

The consideration of the Divestment was negotiated on arm's length in good faith between the Divesting Holders and the Company. The Divestment was a decision made by the Divesting Holders due to a commercial decision to realize the investment gain on the Shares. The Divesting Holders are the persons designated by the then shareholders of Suzhou Gongpinhui to receive shares as part of the consideration for the acquisition of Suzhou Gongpinhui by the Group.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On August 17, 2023, we issued 20,032,020 Ordinary Shares to Magical Brush Limited pursuant to the vesting and exercise of awards under the Pre-IPO ESOP. Magical Brush Limited is wholly-owned by a limited liability partnership formed and registered under the laws of the PRC which, as of the Latest Practicable Date, was held (i) by a subsidiary of JD.com as to approximately 40.9%, as a result of redemption of Ordinary Shares underlying awards vested or exercised under the Pre-IPO ESOP pursuant to the terms of the Pre-IPO ESOP, and (ii) by the other 15 limited partners who are individual eligible participants of the Pre-IPO ESOP (being employees of the Group or JD Group), each holding less than 30% interest in the partnership. The general partner of the limited liability partnership is controlled through a wholly-owned company by Ms. Jin Hu (胡勁), who is an employee of the Company and one of the aforementioned individual limited partners. For further details of the Pre-IPO ESOP (including the number of Shares available for issue, the details of outstanding awards and their dilutive effect), see the section headed “Statutory and General Information—D. Share Incentive Plans—1. Pre-IPO ESOP” in Appendix IV to this document.

SPIN-OFF

Having considered, among other things, that our industrial supply chain technology and service business has grown to a sufficient size that warrants a separate listing on the Stock Exchange, JD.com submitted a spin-off proposal to the Stock Exchange pursuant to Practice Notice 15 of the Listing Rules. The Stock Exchange has confirmed that JD.com may proceed with the JDI Spin-off as proposed. Our Company will comply with the requirements under Practice Note 15 and the applicable requirements of the Listing Rules regarding the JDI Spin-off, save with respect to paragraph 3(f) of Practice Note 15, in respect of which JD.com has applied for, and the Stock Exchange has granted, a waiver from the requirement for us to provide existing shareholders of JD.com with an assured entitlement to apply for Shares pursuant to the Global Offering.

JD.com considers that the JDI Spin-off is in the interests of the JD Group and the JD Shareholders taken as a whole for the following reasons:

- the JDI Spin-off would enable JD.com’s investors to better value JD.com with its focus on the JD Group business;
- the JDI Spin-off could better reflect the value of our Group on its own merits and increase its operational and financial transparency through which our investors would be able to appraise and assess the performance and potential of our Group separately and distinctly from those of the JD Group;
- our business is expected to undergo relatively rapid business expansion and would be appealing to an investor base that values high growth opportunities in the industrial supply chain technology and service business, which is different from the relatively more diversified business model of JD Group;
- with our Company as a separated listed entity, JD.com can fully focus on and deploy its financial resources towards the development of the JD Group business without the need to consider our Group’s funding requirements; and
- the value of our Group is expected to be enhanced through the JDI Spin-off which will in turn benefit JD.com, as our controlling shareholder, and its shareholders as a whole, given that a listing on the Stock Exchange will:
 - enhance our standalone profile, which will help accelerate our business growth;

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- enable us to directly and independently access both equity and debt capital markets in the future on a standalone basis should the need arises, as well as further enhance our ability to secure bank credit facilities;
- lead to a more direct alignment of our management's responsibilities and accountability with our operating and financial performance. This is expected to result in enhanced management focus, which should in turn lead to improved decision-making processes, faster response time to market changes and increased operational efficiency. It will also be possible to link management incentives to such performance, thereby increasing management motivation and commitment; and
- provide clarity of the credit profile of our Group for rating agencies and financial institutions that wish to analyze and lend against the credit of the industrial supply chain technology and service business.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Our acquisition and deconsolidation of ICMALL

In March 2021, we acquired control of ICMALL Ltd. ("ICMALL"), a company which primarily engages in the sales of electronic components, by entering into a voting proxy and power of attorney, gaining control of a total of approximately 55.3% of voting rights in ICMALL and thereby consolidated the financial results of ICMALL into our consolidated financial statements. The consideration for the acquisition was approximately RMB350 million, which was determined through arm's length negotiation among the parties, taking into account factors such as revenues and earnings of ICMALL. Based on the unaudited management account of ICMALL, prior to the acquisition, ICMALL achieved revenue of RMB2,091.4 million, gross profit of RMB78.3 million, and net income of RMB26.4 million for the year of 2020. After acquiring a comprehensive insight into ICMALL and thoroughly evaluating our respective business strategies, we have determined that, after the consolidation, ICMALL's performance in certain areas such as key account services and workforce efficiency management fell short of our expectations. Therefore, in September 2022, to optimize our service offerings, we terminated the relevant voting proxy and power of attorney. As a result, we no longer controlled ICMALL, and ICMALL has been deconsolidated from our consolidated financial statements and classified as discontinued operations. Before ICMALL was acquired by us in March 2021, we did not hold any ownership or voting rights in ICMALL; at the time of consolidation of ICMALL, we held approximately 28.5% ownership on a fully-diluted basis and 55.3% voting rights in ICMALL; immediately following the deconsolidation and as of the Latest Practicable Date, we held approximately 28.5% ownership on a fully diluted basis and approximately 32.1% voting rights in ICMALL. The largest shareholder of ICMALL (other than the Company) is an Independent Third Party. ICMALL is currently accounted for as financial assets at fair value through profit or loss.

To the Company's knowledge, none of ICMALL, its directors or senior management had been the subject of any material non-compliant incidents, claims, litigation or legal proceedings (whether actual or threatened) since its establishment up to the date of deconsolidation.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

REORGANIZATION

In preparation for the Global Offering and in order to streamline our corporate structure, we underwent the following reorganization (the “**Reorganization**”):

1. Incorporation of the Company

The following companies were incorporated in order to establish the Company and its holding company:

- (a) Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on November 5, 2019 with an authorized share capital of US\$50,000 divided into 5,000,000 shares with par value of US\$0.01 each. Upon completion of the Reorganization and the Global Offering, the shareholders of the Company will be JD Industrial Technology Limited, Suzhou Yan Ji Network Technology Co., Ltd, JD Industrial Technology LLC, the Pre-IPO Investors and the public shareholders who subscribe for Offer Shares in the Global Offering, excluding the shares to be issued under the Share Incentive Plans.
- (b) JD Industrial Technology Limited was incorporated in the British Virgin Islands as a wholly-owned subsidiary of JD.com on October 29, 2019.

2. Incorporation of the Company’s sub-holding companies

The following Group companies were incorporated to act as an intermediate holding company and sub-holding companies under the Company to hold its subsidiaries and consolidated affiliated entities:

- (a) JD Industrial Technology (HK) Limited was incorporated in Hong Kong on December 6, 2019 with a share capital of HK\$10,000 divided into 10,000 ordinary shares of HK\$1.0 each, which is wholly owned by our Company. Our Company was the sole founding member of JD Industrial Technology (HK) Limited.
- (b) The WFOE was established in the PRC as a wholly foreign-owned enterprise on March 19, 2020 with a registered capital of RMB1 million, which is wholly owned by JD Industrial Technology (HK) Limited.
- (c) Beijing JINGDONG Industrial was established in the PRC as a wholly foreign-owned enterprise on January 22, 2021 with a registered capital of RMB50 million, which is wholly owned by JD Industrial Technology (HK) Limited.

3. Entry into the Contractual Arrangements

We entered into a series of contractual arrangements on May 18, 2020, which were terminated and replaced with a separate series of contractual arrangements on June 22, 2020, September 16, 2022 and March 30, 2023. Please refer to the section headed “Contractual Arrangements” in this document for further details of the Contractual Arrangements.

4. Incorporation of Major Subsidiaries

Please also refer to the sections headed “—Major Subsidiaries and Operating Entities” in this section and “—Corporate Structure” in this section for details relating the incorporation of the Major Subsidiaries and the corporate structure of the Group after the Reorganization.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

5. Transfer of industrial supply chain technology and service businesses

Prior to the Reorganization, most of our industrial supply chain technology and service businesses were operated by JD.com, its subsidiaries and consolidated affiliated entities, and have been transferred to our Group by way of business and asset transfer to the extent possible through the following steps:

- (a) JD Group assigned contracts relating to digital procurement services and marketplace to our Group, including purchase agreements with suppliers, sales agreements with customers, and service agreements with third-party merchants.
- (b) A series of intellectual property rights, including domain names, trademarks and patents, were transferred from JD Group to our Group.
- (c) Employment contracts of relevant employees were transferred from JD Group to our Group.

PRE-IPO INVESTMENTS

1. Overview

On April 24, 2020, our Company and Series A Preference Shares investors (or their respective affiliates) entered into the Series A Preference Shares Subscription Agreement (as amended and supplemented from time to time), pursuant to which:

- (a) GGV VII Investments, L.L.C. agreed to subscribe for a total of 25,000,000 Series A Preference Shares for a consideration of US\$25,000,000;
- (b) GGV VII Plus Investments, L.L.C. agreed to subscribe for a total of 20,000,000 Series A Preference Shares for a consideration of US\$20,000,000;
- (c) 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)) (“Xiamen Jiyuan”) agreed to subscribe for a total of 14,184,397 Series A Preference Shares for a consideration of US\$14,184,397. 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)), an affiliate of Xiamen Jiyuan, subscribed this portion of Series A Preference Shares and became our Pre-IPO Investor;
- (d) 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)) (“Suzhou Jiyuan”) agreed to subscribe for a total of 15,815,603 Series A Preference Shares for a consideration of US\$15,815,603. 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)) and 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)), affiliates of Suzhou Jiyuan, subscribed this portion of Series A Preference Shares and became our Pre-IPO Investors;
- (e) 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)) (“Wuhu Jiyuan”) agreed to subscribe for a total of 35,000,000 Series A Preference Shares for a consideration of US\$35,000,000. 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)), an affiliate of Wuhu Jiyuan, subscribed this portion of Series A Preference Shares and became our Pre-IPO Investor;

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (f) HSG agreed to subscribe for a total of 30,000,000 Series A Preference Shares for a consideration of US\$30,000,000;
- (g) Pink Crystal China Fund, L.P. agreed to subscribe for a total of 30,000,000 Series A Preference Shares for a consideration of US\$30,000,000;
- (h) C-Open Education Investment Limited agreed to subscribe for a total of 30,000,000 Series A Preference Shares for a consideration of US\$30,000,000;
- (i) Ningbo Xinli New Dynamic Equity Investment Partnership (Limited Partnership) (寧波新犁新動力股權投資合夥企業(有限合夥)) agreed to subscribe for a total of 10,000,000 Series A Preference Shares for a consideration of US\$10,000,000;
- (j) Beijing New Power Equity Investment Fund (Limited Partnership) (北京新動力股權投資基金(有限合夥)) agreed to subscribe for a total of 10,000,000 Series A Preference Shares for a consideration of US\$10,000,000; and
- (k) Welight Capital L.P. agreed to subscribe for a total of 10,000,000 Series A Preference Shares for a consideration of US\$10,000,000.

The investment in and the allotment of all the Series A Preference Shares were completed on August 25, 2020.

On December 25, 2020 and January 4, 2021, our Company and Series A-1 Preference Shares investors (or their respective affiliates) entered into the Series A-1 Preference Shares Subscription Agreements (as amended and supplemented from time to time), pursuant to which:

- (a) Domking Investment II, L.P. agreed to subscribe for a total of 94,339,623 Series A-1 Preference Shares for a consideration of US\$100,000,000;
- (b) GGV VII Investments Pte. Ltd. agreed to subscribe for a total of 2,830,506 Series A-1 Preference Shares for a consideration of US\$3,000,337; and
- (c) GGV VII Plus Investments Pte. Ltd. agreed to subscribe for a total of 2,264,405 Series A-1 Preference Shares for a consideration of US\$2,400,269.

The investment in and the allotment of all the Series A-1 Preference Shares were completed on January 14, 2021.

On March 7, 2023, our Company and Series B Preference Shares investors (or their respective affiliates) entered into the Series B Preference Shares Subscription Agreements (as amended and supplemented from time to time), pursuant to which:

- (a) HSG agreed to subscribe for a total of 3,864,436 Series B Preference Shares for a consideration of US\$10,000,000;
- (b) Expansion Project Technologies Holding SPV RSC Ltd agreed to subscribe for a total of 38,644,356 Series B Preference Shares for a consideration of US\$100,000,000; and
- (c) MIC Capital Management 23 RSC Ltd agreed to subscribe for a total of 38,644,356 Series B Preference Shares for a consideration of US\$100,000,000.

The investment in and the allotment of all the Series B Preference Shares were completed on March 9, 2023. On the same date, 34,779,921 Series A-1 Preference Shares held by Domking

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Investment II, L.P. were redesignated as Series B Preference Shares, after which 23,186,614 Series B Preference Shares were transferred to The Prudential Assurance Company Limited and 11,593,307 Series B Preference Shares were transferred to Alosa Limited at US\$2.5877 per Share for a consideration of US\$60,000,000 and US\$30,000,000, respectively.

The considerations were determined based on arm's length negotiations between our Company and the Pre-IPO Investors after taking into consideration the timing of the investments and the status of our business and operating entities.

The table below is a summary of the shareholding structure of our Company as at the date of this document and immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans):

Shareholders	Shares ⁽¹⁾	Shareholding in our Company as at the date of this document	Shareholding in our Company immediately upon completion of the Global Offering before the Conversion Adjustment ⁽¹⁾	Shares in our Company immediately upon completion of the Global Offering and the Conversion Adjustment ⁽¹⁾⁽⁷⁾	Shareholding in our Company immediately upon completion of the Global Offering and the Conversion Adjustment ⁽¹⁾⁽⁷⁾
JD Industrial Technology Limited ⁽⁶⁾	1,906,574,307	77.32%	71.22%	1,906,574,307	70.94%
Max I&P Limited ⁽²⁾⁽⁶⁾	90,629,636	3.68%	3.39%	90,629,636	3.37%
Domking Investment II, L.P.	59,559,702	2.42%	2.22%	59,559,702	2.22%
Expansion Project Technologies Holding SPV RSC Ltd	38,644,356	1.57%	1.44%	42,117,546	1.57%
MIC Capital Management 23 RSC Ltd	38,644,356	1.57%	1.44%	42,117,546	1.57%
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))	35,000,000	1.42%	1.31%	35,000,000	1.30%
HSG	33,864,436	1.37%	1.26%	34,211,755	1.27%
Pink Crystal China Fund, L.P.	30,000,000	1.22%	1.12%	30,000,000	1.12%
C-Open Education Investment Limited	30,000,000	1.22%	1.12%	30,000,000	1.12%
JD Industrial Technology LLC ⁽³⁾⁽⁶⁾	17,615,827	0.71%	0.66%	17,615,827	0.66%
Magical Brush Limited ⁽⁵⁾⁽⁶⁾	20,032,020	0.81%	0.75%	20,032,020	0.75%
Suzhou Yan Ji Network Technology Co., Ltd ⁽⁴⁾	19,458,017	0.79%	0.73%	19,458,017	0.72%
GGV VII Investments, L.L.C.	25,000,000	1.01%	0.93%	25,000,000	0.93%
The Prudential Assurance Company Limited	23,186,614	0.94%	0.87%	25,270,528	0.94%
GGV VII Plus Investments, L.L.C.	20,000,000	0.81%	0.75%	20,000,000	0.74%
Welight Capital L.P.	11,044,372	0.45%	0.41%	11,044,372	0.41%
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))	14,184,397	0.58%	0.53%	14,184,397	0.53%
Alosa Limited	11,593,307	0.47%	0.43%	12,635,264	0.47%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholders	Shares ⁽¹⁾	Shareholding in our Company as at the date of this document	Shareholding in our Company immediately upon completion of the Global Offering before the Conversion Adjustment ⁽¹⁾	Shares in our Company immediately upon completion of the Global Offering and the Conversion Adjustment ⁽¹⁾⁽⁷⁾	Shareholding in our Company immediately upon completion of the Global Offering and the Conversion Adjustment ⁽¹⁾⁽⁷⁾
Beijing New Power Equity Investment Fund (Limited Partnership) (北京新動力股權投資基金(有限合夥))	10,000,000	0.41%	0.37%	10,000,000	0.37%
Ningbo Xinli New Dynamic Equity Investment Partnership (Limited Partnership) (寧波新犁新動力股權投資合夥企業(有限合夥))	10,000,000	0.41%	0.37%	10,000,000	0.37%
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))	9,489,362	0.38%	0.35%	9,489,362	0.35%
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))	6,326,241	0.26%	0.24%	6,326,241	0.24%
GGV VII Investments Pte. Ltd.	2,830,506	0.11%	0.11%	2,830,506	0.11%
GGV VII Plus Investments Pte. Ltd.	2,264,405	0.09%	0.08%	2,264,405	0.08%
Other public Shareholders	—	—	7.89%	211,208,800	7.86%
TOTAL	2,465,941,861	100.00%	100.00%	2,687,570,231	100.00%

Notes:

- (1) Under the terms of the Pre-IPO Shareholders' Agreement and the articles of association in effect before the Listing, all the Preference Shares will automatically be converted to Shares on a 1:1 basis immediately upon the Listing subject to customary adjustments, except that the conversion ratio for Series B Preference Shares to Ordinary Shares may be adjusted based on the final Offer Price (please refer to Note (7) below). With respect to existing Shareholders, the numbers and percentages do not take into account the indicative allocations (if any) set out in "Cornerstone Investors". For more information on our existing Shareholders participating in the Global Offering, see "Waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance" and "Cornerstone Investors". Certain amounts and percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals in the above table may not be an arithmetic aggregation of the figures preceding them.
- (2) Max I&P Limited is a holding vehicle controlled by Mr. Richard Qiangdong Liu who is its sole director and the settlor of the trust holding all of its issued share capital, which holds 90,629,636 Shares issued to Mr. Richard Qiangdong Liu pursuant to the share awards already vested to him.
- (3) The sponsor of JD Industrial Technology LLC, being JD Industrial Technology Limited, holds the only common unit, while the other holders of preferred units of JD Industrial Technology LLC are the then shareholders of Suzhou Gongpinhui at the time of acquisition of such entity. Such arrangement has been adopted as it facilitates communications between the various shareholders and our Company via the private company as a single point. While only JD Industrial Technology Limited is entitled to vote, it does not hold economic interests in JD Industrial Technology LLC.

The holders of preferred units of JD Industrial Technology LLC upon the completion of the acquisition of Suzhou Gongpinhui included HeJiaHongLi (Hangzhou) Venture Capital Partnership (Limited Partnership) (合嘉泓勵(杭州)創業投資合夥企業(有限合夥)), Ningbo Xinli New Dynamic Equity Investment Partnership (Limited Partnership) (寧波新犁新動力股權投資合夥企業(有限合夥)), RUIHENG ENTERPRISE MANAGEMENT CONSULTING (NANJING) CO., LLP. (南京睿恒企業管理諮詢合夥企業(有限合夥)), Suzhou Shunrong Angel II Venture Capital partners L.P. (蘇州順融天使二期創業投資合夥企業(有限合夥)), Suzhou Shunrong Angel III Venture Capital partners L.P. (蘇州順融天使三期創業投資合夥企業(有限合夥)), Jinhua Puhua Tianqin Equity Investment Fund Partnership (Limited Partnership) (金華普華天勤股權投資基金合夥企業(有限合夥)), Gongpinhui Jiuhe Holdings Limited, Shanghai Yunqi Wangchuang Venture Capital Center (Limited Partnership) (上海雲奇網創業投資中心(有限合夥)), Hangzhou Yunjia Venture Capital Partnership (Limited Partnership) (杭州雲嘉創業投資合夥企業(有限合夥)):

- HeJiaHongLi (Hangzhou) Venture Capital Partnership (Limited Partnership) (合嘉泓勵(杭州)創業投資合夥企業(有限合夥)) ("HeJiaHongLi")'s general partner is SHANGHAI EMPOWER INVESTMENT MANAGEMENT CO., LTD. (上海合之力投資管

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

理有限公司), which is owned as to 70% by Ms. Ying Zhu (朱穎) and 25% by Mr. Junhan Yu (喻俊涵). Ms. Ying Zhu (朱穎) and Mr. Junhan Yu (喻俊涵) are Independent Third Parties. HeJiaHongLi has nine limited partners, with the largest limited partner accounting for 36.37% of the total partnership interest. HeJiaHongLi held 2,421,490 preferred units as of the Latest Practicable Date.

- For information of Ningbo Xinli New Dynamic Equity Investment Partnership (Limited Partnership) (寧波新犁新動力股權投資合夥企業(有限合夥)) (“**Xinli New Dynamic**”), please refer to “—Information on the Pre-IPO Investors.” Xinli New Dynamic has 14 limited partners, with the largest limited partner accounting for 18.60% of the total partnership interest. Xinli New Dynamic held 5,522,461 preferred units as of the Latest Practicable Date.
- RUIHENG ENTERPRISE MANAGEMENT CONSULTING (NANJING) CO., LLP. (南京睿恒企業管理諮詢合夥企業(有限合夥)) (“**Ruiheng**”)’s general partner is Jiangsu Juke Investment Management Co., Ltd. (江蘇聚科投資管理有限公司), which is owned as to 95.2381% by Mr. Lei Tao (陶磊). Mr. Lei Tao (陶磊) is an Independent Third Party. The only limited partner of Ruiheng is Mr. Lei Ji (吉雷). Ruiheng held 3,217,430 preferred units as of the Latest Practicable Date.
- The general partner of Suzhou Shunrong Angel II Venture Capital partners L.P. (蘇州順融天使二期創業投資合夥企業(有限合夥)) (“**Shunrong Angel II**”) and Suzhou Shunrong Angel III Venture Capital partners L.P. (蘇州順融天使三期創業投資合夥企業(有限合夥)) (“**Shunrong Angel III**”) is Suzhou Shunrong Venture Capital Management Partnership (Limited Partnership) (蘇州順融創業投資管理合夥企業(有限合夥)), the general partner of which is Suzhou Shunrong Future Information Consulting Co., Ltd. (蘇州順融未來信息諮詢有限公司). Suzhou Shunrong Future Information Consulting Co., Ltd. is wholly owned by Suzhou Shunrong Investment Management Co., Ltd. (蘇州順融投資管理有限公司), the holders owning more than 10% of equity interest in which are Mr. Yaxiong Wang (王亞雄) and Mr. Biao Liu (劉彪). Mr. Yaxiong Wang (王亞雄) and Mr. Biao Liu (劉彪) are Independent Third Parties. Shunrong Angel II has 23 limited partners, with the largest limited partner accounting for 25.6943% of the total partnership interest. Shunrong Angel III has 13 limited partners, with the largest limited partner accounting for 16.7617% of the total partnership interest. Shunrong Angel II and Shunrong Angel III held 697,285 and 755,608 preferred units as of the Latest Practicable Date, respectively.
- Jinhua Puhua Tianqin Equity Investment Fund Partnership (Limited Partnership) (金華普華天勤股權投資基金合夥企業(有限合夥)) (“**Jinhua Puhua**”)’s general partner is Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd. (浙江普華天勤股權投資管理有限公司), which is owned as to 72.0% by Mr. Qinhua Shen (沈琴華). Mr. Qinhua Shen (沈琴華) is an Independent Third Party. Jinhua Puhua has three limited partners, with the largest limited partner accounting for 42% of the total partnership interest. Jinhua Puhua held 1,068,159 preferred units as of the Latest Practicable Date.
- Gongpinhui Jiuhe Holdings Limited’s sole shareholder is Beijing Jiuhe Yuyong Investment Center L.P. (北京九合雲涌投資中心(有限合夥)). The general partner of Beijing Jiuhe Yuyong Investment Center L.P. (北京九合雲涌投資中心(有限合夥)) is Hainan Jiuhe Ruizhi Investment Partnership L.P. (海南九合銳致投資合夥企業(有限合夥)). The beneficial owner of Hainan Jiuhe Ruizhi Investment Partnership L.P. (海南九合銳致投資合夥企業(有限合夥)) is WANG Xiao (王嘯). WANG Xiao (王嘯) is an Independent Third Party. The preferred units held by Gongpinhui Jiuhe Holdings Limited were cancelled subsequent to the Divestment and it is no longer a holder of any preferred units as at the Latest Practicable Date.
- The general partner of Shanghai Yunqi Wangchuang Venture Capital Center (Limited Partnership) (上海雲奇網創創業投資中心(有限合夥)) (“**Shanghai Yunqi**”) and Hangzhou Yunjia Venture Capital Partnership (Limited Partnership) (杭州雲嘉創業投資合夥企業(有限合夥)) (“**Hangzhou Yunjia**”) is Shanghai Yunqi Wangchuang Asset Management Center (Limited Partnership) (上海雲奇網創資產管理中心(有限合夥)), the general partner of which is Shanghai Yunpan Investment Management Co., Ltd. (上海雲畔投資管理有限公司). Shanghai Yunpan Investment Management Co., Ltd. is owned as to 99% by Mr. Chengyu Mao (毛丞宇), who is an Independent Third Party. Shanghai Yunqi has 24 limited partners, with the largest limited partner accounting for 19% of the total partnership interest. Hangzhou Yunjia has 11 limited partners, with the largest limited partner accounting for 34% of the total partnership interest. Shanghai Yunqi and Hangzhou Yunjia held 2,360,037 and 1,573,357 preferred units as of Latest Practicable Date, respectively.

As of the Latest Practicable Date, the preferred units of JD Industrial Technology LLC were held by 8 limited partnerships, each holding no more than one-third of the preferred units of JD Industrial Technology LLC. To the best knowledge, information and belief of the Company, all of the preferred unit holders of the JD Industrial Technology LLC are Independent Third Parties.

- (4) 1,418,440 ordinary 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, JD Industrial Technology Limited as mortgagee. As of the Latest Practicable Date, Suzhou Yan Ji Network Technology Co., Ltd was owned as to 100% by the trustee of the family trust of Mr. Zhang Yan (嚴彰), who is an Independent Third Party.
- (5) Magical Brush Limited holds shares issued pursuant to the vesting and exercise of awards under the Pre-IPO ESOP. Magical Brush Limited is wholly-owned by a limited liability partnership formed and registered under the laws of the PRC which, as of the Latest Practicable Date, was held (i) by a subsidiary of JD.com as to approximately 40.9%, as a result of redemption of Ordinary Shares underlying awards vested or exercised under the Pre-IPO ESOP pursuant to the terms of the Pre-IPO ESOP, and (ii) by the other 15 limited partners who are individual eligible participants of the Pre-IPO ESOP, each holding less than 30% interest in the partnership. The general partner of the limited liability partnership is wholly-owned by Ms. Jin Hu (胡勁), who is an employee of the Company and one of the aforementioned individual limited partners.
- (6) Save for the Shares held by JD Industrial Technology Limited, Max I&P Limited, JD Industrial Technology LLC and Magical Brush Limited, the Shares held by all other shareholders will be counted towards the public float for the purpose of the Listing Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (7) Under the terms of the Pre-IPO Shareholders' Agreement and the articles of association in effect before the Listing, the conversion ratio for Series B Preference Shares to Ordinary Shares may be adjusted based on the final Offer Price so that one Series B Preference Share may be converted to more than one Ordinary Share at nil consideration (the "Conversion Adjustment Mechanism"). 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 to the holders of Series B Preference Shares upon conversion of Series B Preference Shares at nil consideration. The additional Shares to be issued to all holders of Series B Preference Shares pursuant to the Conversion Adjustment is 10,419,570 Ordinary Shares.

2. Principal terms of the Pre-IPO Investments

The below table summarizes the principal terms of the Pre-IPO Investments:

	Series A Preference Shares Investment	Series A-1 Preference Shares Investment	Series B Preference Shares Investment
Cost per share paid by the investors	US\$1.00	US\$1.06	US\$2.5877
Date on which investment was fully settled	August 25, 2020	January 14, 2021	March 9, 2023
Total amount of consideration paid by the Pre-IPO Investors	US\$230,000,000	US\$105,400,606	US\$300,000,000
Discount to the Offer Price ⁽¹⁾	44.8%	41.5%	-42.9%
Use of Proceeds from the Pre-IPO Investments	The proceeds served as the general working capital of our Group and was utilized for the development and operation of the businesses of the members of our Group. As of the Latest Practicable Date, approximately 60% of the net proceeds from the Pre-IPO Investments by the Pre-IPO Investors were utilized.		
Lock-up	Each Pre-IPO Investor has entered into a lock up undertaking in favor of the Company, the Joint Sponsors and the Overall Coordinators in respect of any Shares or securities of the Company or any interest therein) held by such Pre-IPO Investor upon Listing for a period of 6 months after the Listing Date.		
Strategic benefits of the Pre-IPO Investors brought to our Company	At the time of the Pre-IPO Investments, our Directors were of the view that our Company could benefit from the Pre-IPO Investors' commitment to our Company as their investment demonstrates their confidence in the operations of our Group and serves as an endorsement of our Company's performance, strength and prospects.		

Note:

(1) Assuming the Offer Price is fixed at HK\$14.10, being the mid-point of the indicative Offer Price range.

3. Rights of the Pre-IPO Investors

In addition to the terms described above, the Pre-IPO Shareholders' Agreement was entered into between our Company, Suzhou Yan Ji Network Technology Co., Ltd, JD Industrial Technology LLC and each of the Pre-IPO Investors relating to, inter alia, the operation and management of our Company. Pursuant to the Pre-IPO Shareholders' Agreement and the articles of association in effect before the Listing, the Pre-IPO Investors were granted certain special rights in relation to our Company, for example, tag-along right, preemptive rights, director nomination right, board and shareholder reserved matters and information rights. The special rights under the Pre-IPO Shareholders' Agreement will terminate upon the Listing in accordance with the terms of the Pre-IPO Shareholders' Agreement. All Preference Shares will be converted to Shares upon Listing on a 1:1 basis subject to customary adjustments, except that the conversion ratio for Series B Preference Shares to Ordinary Shares may be adjusted based on the final Offer Price. The conversion ratio for Series B Preference Shares to Ordinary Shares may be adjusted based on the final Offer Price so that one Series B Preference Share may be converted to more than one Ordinary Share at nil consideration (the "**Conversion Adjustment Mechanism**"). 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 issuing additional Ordinary Shares to the holders of Series B Preference Shares upon conversion of Series B Preference Shares at nil consideration (the "**Conversion Adjustment**") as shown in the table in the section headed "Pre-IPO Investment - 1. Overview" above and a maximum aggregate payment of approximately HK\$731 million in cash (assuming the final Offer Price is

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

determined at the low-end of the indicative Offer Price range (HK\$12.70, and representing approximately 6% of the total cash and cash equivalents and term deposits of the Company as at June 30, 2025)). The cash payment will be paid through the Company's own internal financial resources and will be made before Listing. The number of additional Shares to be issued to all holders of Series B Preference Shares pursuant to the Conversion Adjustment is 10,419,570 Ordinary Shares.

4. Public Float and Free Float

Public float

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing is over HK\$30,000,000,000, the minimum prescribed percentage is determined at the higher of: (i) the percentage that would result in the expected market value of such securities held by the public to be HK\$4,500,000,000 at the time of listing; and (ii) 10%.

Based on (i) the low-end of the indicative Offer Price range of HK\$12.70 per Offer Share, and (ii) 2,687,570,231 Shares which are expected to be in issue immediately upon completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans), it is expected that the market value of the Shares at the time of Listing will be approximately HK\$34,132 million. Accordingly, at least 13.18% of the total number of issued Shares must be held by the public at the time of Listing.

The Shares held by the Pre-IPO Investors will be counted towards the public float for the purpose of the Listing Rules. To the best knowledge, information and belief of our Directors, all the Pre-IPO Investors are Independent Third Parties of our Group.

As disclosed above, the Shares held by JD Industrial Technology Limited, Max I&P Limited, JD Industrial Technology LLC and Magical Brush Limited (each being part of the group of Controlling Shareholders of our Company whose details are set out above and in the section headed "Relationship with our Controlling Shareholders") will not be counted towards the public float for the purpose of the Listing Rules. Accordingly, upon the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans), it is expected that the Pre-IPO Investors and other Shareholders will collectively hold approximately 24.2866% of the issued Shares of our Company, and their Shares will be counted towards the public float for the purposes of the Listing Rules, which is higher than the prescribed percentage of 13.18% of the issued Shares required to be held by the public upon completion of the Global Offering and the Conversion Adjustment under Rule 8.08(1)(a) of the Listing Rules with reference to the expected market value of our Shares.

Free Float

Rule 8.08A of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing must (i) represent at least 10% of the total number of issued Shares in the

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (ii) have an expected market value at the time of listing of not less than HK\$600,000,000.

On the basis that (i) no Offer Shares will be allocated under the Global Offering to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, (ii) all Shares that may be allocated and issued to the cornerstone investors (if any) and all Shares held by existing Shareholders are subject to lock-up undertakings and therefore are excluded for the purpose of satisfying the free float requirement (assuming the Over-allotment Option are not exercised and excluding shares to be issued under the Share Incentive Plans), and based on the low-end of the indicative Offer Price range of HK \$12.70 per Offer Share), it is expected that 105,604,520 Shares, with an expected market value at the time of Listing of approximately HK\$1,341 million, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the Listing. Accordingly, our Company will comply with the free float requirement under Rule 8.08A of the Listing Rules.

5. Information on the Pre-IPO Investors

Set out below are descriptions of the Pre-IPO Investors.

Domking Investment II, L.P. is an exempted limited partnership registered in Cayman Islands and is principally engaged in investment holding. As of the Latest Practicable Date, Domking Investment II, L.P. was owned by (i) Qogir International Investment Limited as the general partner, and (ii) Eastar Holdings Ltd and Domking Holdings Ltd, as the limited partners. As of the Latest Practicable Date, Qogir International Investment Limited was wholly owned by China Qogir Corporation and was principally engaged in equity investment and venture capital investment.

EXPANSION PROJECT TECHNOLOGIES HOLDING SPV RSC LTD is a special purpose vehicle incorporated in the Abu Dhabi Global Market, Abu Dhabi, United Arab Emirates and is wholly owned by Expansion Fund I LP. Expansion Fund I LP is an Abu Dhabi-based partnership. The general partner of Expansion Fund I LP is Expansion Project GP RSC Ltd., which is indirectly held, as to more than 50%, by International Holding Company PJSC, a company listed on the Abu Dhabi Securities Exchange (ADX:IHC).

MIC Capital Management 23 RSC LTD (“MIC 23”) is a UAE-based restricted scope company and is principally engaged in investment holding. MIC 23 is indirectly wholly owned by Mubadala Investment Company PJSC (“Mubadala”), whose ultimate beneficial owner is the Government of Abu Dhabi. MIC 23 is an Independent Third Party.

HSG is an exempted company with limited liability incorporated in the Cayman Islands, which is a wholly-owned subsidiary of HongShan Capital Growth Fund V, L.P. HongShan Capital Growth Fund V, L.P. is an investment fund whose primary purpose is to make equity investments in private companies. The general partner of HongShan Capital Growth Fund V, L.P. is HSG Growth V Management, L.P., whose general partner is HSG Holding Limited, a wholly-owned subsidiary of SNP China Enterprises Limited. Neil Nanpeng Shen (沈南鹏) is the sole shareholder of SNP China Enterprises Limited.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pink Crystal China Fund, L.P. is a limited partnership established in the Cayman Islands with more than US\$500 million in assets under management. Pink Crystal China Fund, L.P. is managed by its general partner, Parallel Universes Asset Management Limited. No ultimate beneficial owner of any limited partner or general partner holds more than 30% equity of Pink Crystal China Fund, L.P. Pink Crystal China Fund, L.P. focuses on investment opportunities being created in emerging industries driven by innovations, and traditional industries being transformed and upgraded. Pink Crystal China Fund, L.P. intends to primarily invest in strategic emerging industries (including TMT, culture, sports and health care industries), covering growth-stage and mature-stage portfolios, and in leading enterprises with a vision to collectively lead or participate in depth in the integration and expansion of industry value chain.

C-Open Education Investment Limited is a company limited by shares established in the British Virgin Islands and its primary business activity is investment holding. It is owned as to approximately 86.67% by CPEChina Fund III, L.P. (“CPE Fund III”) and 13.33% by CPE Global Opportunities Fund, L.P. (“GOF”). CPE Fund III and GOF are two exempted limited partnerships registered in the Cayman Islands. The general partner of CPE Fund III is CPE Funds III Limited, a company incorporated in the Cayman Islands with limited liability. CPE Funds III Limited is directly and wholly owned by CPE Holdings Limited, which is in turn wholly owned by CPE Holdings International Limited. CPE Holdings International Limited is owned by a number of shareholders that are natural persons, none of whom controls CPE Holdings International Limited. The general partner of GOF is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in the Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons, none of whom controls CPE Management International II Limited.

GGV VII Investments, L.L.C. is owned by GGV Capital VII LP, GGV Capital VII-A LP and GGV Capital VII Entrepreneurs Fund LP. GGV Capital VII LP and GGV Capital VII-A LP’s General Partner is GGV Capital VII LLC, whose managers are Hans Tung, Glenn Solomon, Jeff Richards, Jenny Lee Hong Wei, and Jixun Foo. GGV Capital VII Entrepreneurs Fund LP’s General Partner is GGV Capital VII Entrepreneurs Fund LLC, whose managers are Hans Tung, Glenn Solomon, Jeff Richards, Jenny Lee Hong Wei, and Jixun Foo.

GGV VII Plus Investments, L.L.C. is owned by GGV Capital VII PLUS LP, GGV Capital VII-A Plus LP, and GGV Capital VII Entrepreneurs Fund LP. GGV Capital VII PLUS LP and GGV Capital VII-A Plus LP’s General Partner is GGV Capital VII PLUS LLC, whose managers are Hans Tung, Glenn Solomon, Jeff Richards, Jenny Lee Hong Wei, and Jixun Foo. GGV Capital VII Entrepreneurs Fund LP’s General Partner is GGV Capital VII Entrepreneurs Fund LLC, whose managers are Hans Tung, Glenn Solomon, Jeff Richards, Jenny Lee Hong Wei, and Jixun Foo.

GGV VII Investments PTE. LTD. is wholly owned by GGV VII Investments, L.L.C. Further ownership is stated above.

GGV VII PLUS Investments PTE. LTD. is wholly owned by GGV VII PLUS Investments, L.L.C. Further ownership is stated above.

The Prudential Assurance Company Limited (“PAC”) is a private limited company incorporated in England and Wales, whose principal activity is insurance. PAC is a wholly owned

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

subsidiary of M&G Group Regulated Entity Holding Company Limited, which itself is a wholly owned subsidiary of M&G plc (“M&G”), a public limited company with a premium listing on the London Stock Exchange. As of June 30, 2025, M&G as a group held assets under management worth GBP355 billion.

Welight Capital L.P. is an exempted limited partnership established in Cayman Islands and is principally engaged in venture investment with a focus on long-term equity investment. As of the Latest Practicable Date, Welight Capital L.P. was owned by one (1) general partner, Welight Capital Management Limited, a limited liability company incorporated in Cayman Islands, and one (1) limited partner, Welight Assets Limited, a limited liability company incorporated in the British Virgin Islands. Both Welight Capital Management Limited and Welight Assets Limited are 100% owned by Mr. WU Xiaoguang (吳宵光), who is an Independent Third Party.

Alosa Limited is an investment holding company incorporated under the laws of the Cayman Islands, and is directly wholly-owned by BPEA Hong Kong Growth Fund LPF (“BPEA GF”). BPEA GF is controlled by its general partner BPEA Hong Kong Growth Fund GP LPF which, in turn, is controlled by its general partner BPEA Hong Kong Growth Fund GP Limited. BPEA Hong Kong Growth Fund GP Limited is directly wholly-owned by BPEA EQT Holdings AB (“BPEA EQT”), which is directly wholly-owned by EQT AB, a purpose-driven global investment organization in active ownership strategies headquartered in Stockholm, Sweden.

Beijing New Power Equity Investment Fund (Limited Partnership) (北京新動力股權投資基金 (有限合夥)) (“New Power”) is a PRC-based limited partnership and is principally engaged in private equity investment. As of the Latest Practicable Date, New Power was owned as to (i) 1.06% by Kingray Capital Management Co, Ltd (北京熙誠金睿股權投資基金管理有限公司, “Kingray Capital”) as the general partner, and (ii) 40% by Beijing Xicheng Capital Holdings Co., Ltd. (北京熙誠資本控股有限公司, “Xicheng Capital”) and 58.94% by seven other entities none of which contributed one third or more of the capital of New Power, as the limited partners. Kingray Capital is a PRC-based limited liability company, focusing on investment opportunities in the fields of information security, new energy, industrial intelligence, health care and digital industry. As of the Latest Practicable Date, Kingray Capital was owned as to 40% by Xicheng Capital, and 60% by four other entities none of which contributed one third or more of the capital of Kingray Capital. Xicheng Capital is a PRC-based limited liability company and is principally engaged in investing business. As of the Latest Practicable Date, Xicheng Capital was wholly-owned by Beijing Financial Street Capital Operation Group Co., Ltd. (北京金融街資本運營集團有限公司), a state-owned enterprise wholly owned by State-owned Assets Supervision and Administration Committee of the People’s Government of Xicheng District, Beijing (北京市西城區人民政府國有資產監督管理委員會).

Ningbo Xinli New Dynamic Equity Investment Partnership (Limited Partnership) (寧波新犁新動力股權投資合夥企業(有限合夥)) (“Xinli New Dynamic”) is a PRC-based limited partnership and is principally engaged in venture investment with a focus on long-term equity investment. As of the Latest Practicable Date, Xinli New Dynamic was owned as to (1) 2.93% by Ningbo Xinli Equity Investment Management Partnership (Limited Partnership) (寧波新犁股權投資管理合夥企業 (有限合夥)) (“Ningbo Xinli”) as one of the 2 general partners; (2) 1.26% by Hainan Xinli Investment Partnership (Limited Partnership) (海南新犁投資合夥企業(有限合夥)) (“Hainan Xinli”) as the other general partner; and (3) 95.81% by 14 institutions as the limited partners and none of which contributed one third or more of the capital of Xinli New Dynamic. As of the Latest Practicable Date, Ningbo Xinli was owned as to (i) 80% by Ningbo Fuxu Enterprise Management Co., Ltd. (寧波富煦企業管理有限公司) (“Ningbo Fuxu”) as the general partner and (ii) 20% by Ms. Long Zhongfen (龍仲芬)

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

as limited partner. As of the Latest Practicable Date, Hainan Xinli was owned as to (i) 1% by Ningbo Fuxu Enterprise Management Co., Ltd (寧波富煦企業管理有限公司) as the general partner and (ii) 99% by Ms. Long Zhongfen as limited partner. Ningbo Fuxu is a PRC-based limited liability company and is principally engaged in enterprise management consultancy. As of the Latest Practicable Date, Ningbo Fuxu was owned as to 99.0099% by Ms. Long Zhongfen.

Shanghai Yuan An Enterprise Management Consulting Partnership (Limited Partnership) (“Shanghai Yuan An”) is a PRC-based limited partnership. Shanghai Yuan An is owned by (i) Wuhu Jiyuan Rongcheng Venture Capital Partnership (Limited Partnership) 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 Yuanyan Enterprise Management Consulting Partnership (Limited Partnership) (“Shanghai Yuanyan”) is a PRC-based limited partnership. Shanghai Yuanyan is owned by (i) Xiamen Jiyuan Ronghui Investment Management Partnership (Limited Partnership) as the limited partner, whose general partner is Ningbo Yuanpan Investment Partnership (Limited Partnership) and (ii) Shanghai Jiyuan Private Equity Fund Management Co., Ltd. as the general partner.

Shanghai Yuan Yue Enterprise Management Consulting Partnership (Limited Partnership) (“Shanghai Yuan Yue”) is a PRC-based limited partnership. Shanghai Yuan Yue is owned by (i) Suzhou Jiyuan Haoyuan Venture Capital Partnership (Limited Partnership) 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 Yuan Ye Enterprise Management Consulting Partnership (Limited Partnership) (“Shanghai Yuan Ye”) is a PRC-based limited partnership. Shanghai Yuan Ye is owned by (i) Suzhou Jiyuan Haoyue Venture Capital Partnership (Limited Partnership) as the limited partner, whose general partner is Zhangjiagang Yuanyu Enterprise Management Partnership (Limited Partnership) and (ii) Shanghai Jiyuan Private Equity Fund Management Co., Ltd. as the general partner.

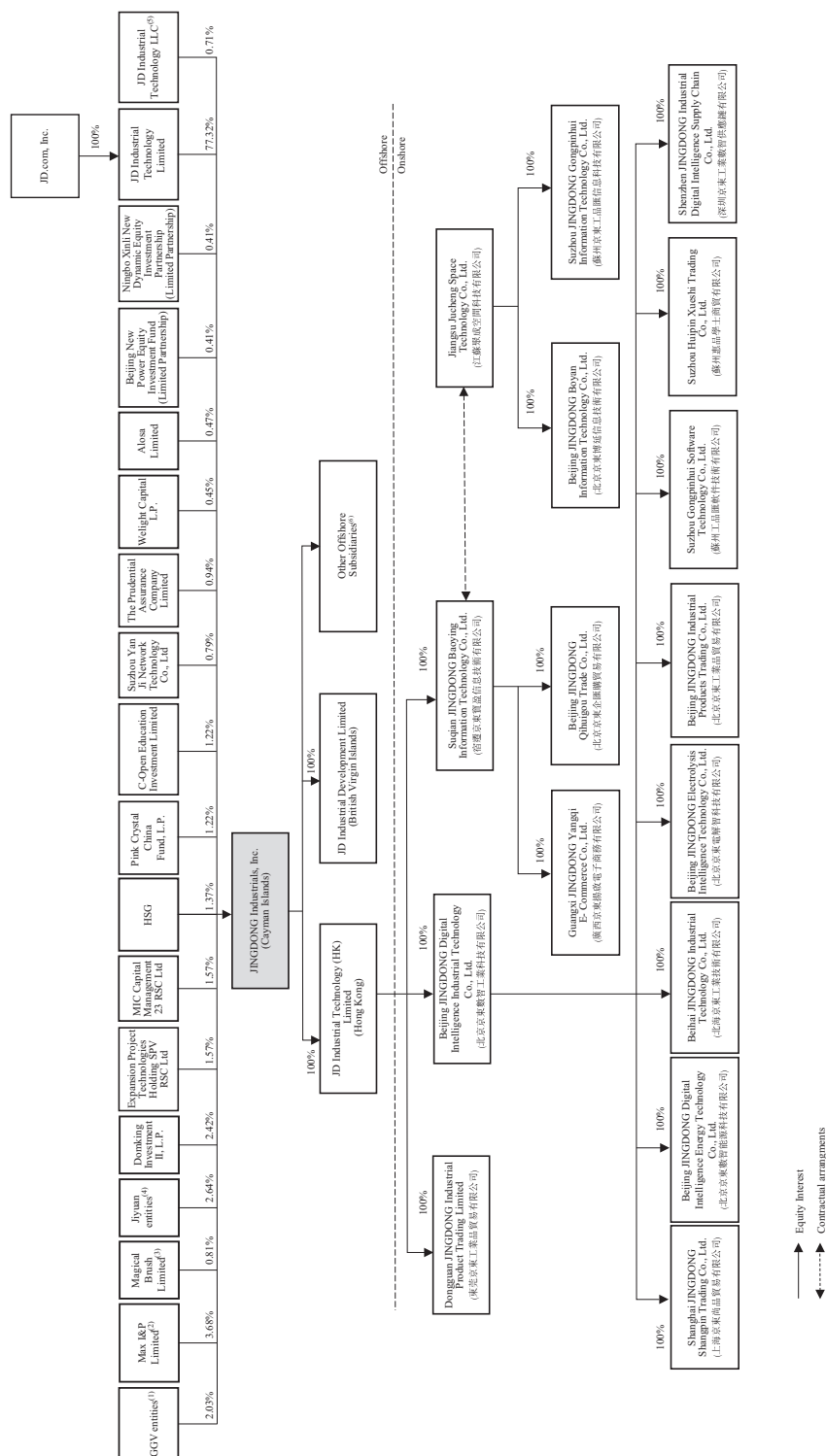
6. Compliance with Pre-IPO Investment Guidance

On the basis that (i) the Listing Date, being the first day of trading of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-IPO Investments and (ii) the special rights granted to the Pre-IPO Investors and shareholders of our Company will terminate upon the Listing, the Joint Sponsors have confirmed that the Pre-IPO Investments are in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

CORPORATE STRUCTURE

Corporate structure after Reorganization and before the completion of the Global Offering and the Conversion Adjustment

The following chart depicts the shareholding and beneficial ownership structure of our Group immediately prior to the completion of the Global Offering and the Conversion Adjustment, excluding the shares may be issued under the Pre-IPO ESOP:



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

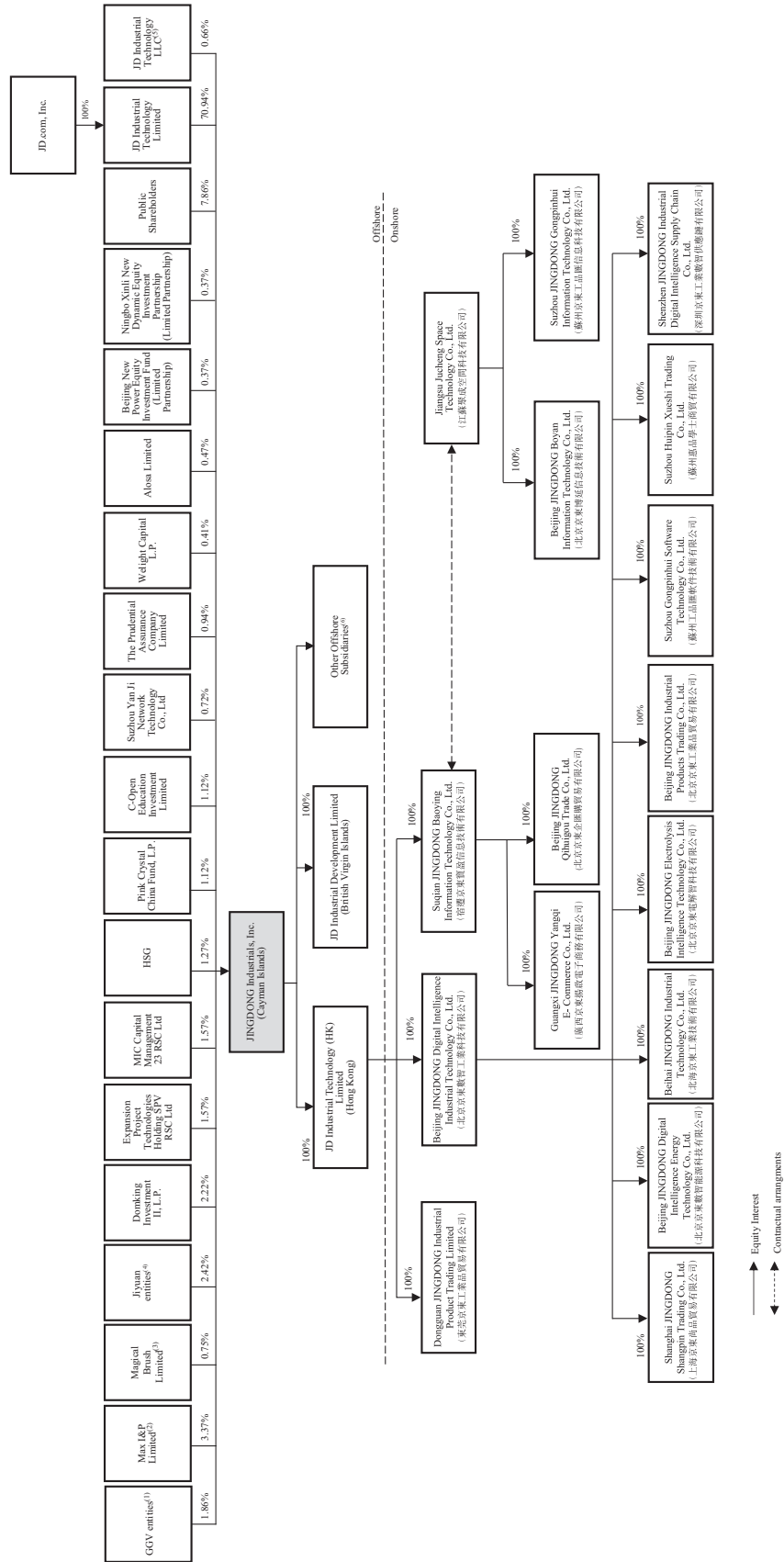
Notes:

- (1) GGV entities include GGV VII Investments, L.L.C., GGV VII Plus Investments Pte. Ltd. and GGV VII Plus Investments Pte. Ltd.
- (2) Represents 90,629,636 ordinary shares that have been issued to Max I&P Limited, a holding vehicle controlled by Mr. Richard Qiangdong Liu (who is its sole director and the settlor of the trust holding all of its issued share capital) for the share awards already vested to Mr. Richard Qiangdong Liu pursuant to the Pre-IPO ESOP.
- (3) Magical Brush Limited holds shares issued pursuant to the vesting and exercise of awards under the Pre-IPO ESOP. Magical Brush Limited is wholly-owned by a limited liability partnership formed and registered under the laws of the PRC which, as of the Latest Practicable Date, was held (i) by a subsidiary of JD.com as to approximately 40.9%, as a result of redemption of Ordinary Shares underlying awards vested or exercised under the Pre-IPO ESOP pursuant to the terms of the Pre-IPO ESOP, and (ii) as to approximately 59.1% by the other 15 limited partners who are individual eligible participants of the Pre-IPO ESOP, each holding less than 30% interest in the partnership. The general partner of the limited liability partnership is controlled through a wholly-owned company by Ms. Jin Hu (胡勤), who is an employee of the Company and one of the aforementioned individual limited partners.
- (4) Jiyuan entities include Shanghai Yuanyan Enterprise Management Consulting Partnership (Limited Partnership), Shanghai Yuan An Enterprise Management Consulting Partnership (Limited Partnership), Shanghai Yuan Yue Enterprise Management Consulting Partnership (Limited Partnership) and Shanghai Yuan Ye Enterprise Management Consulting Partnership (Limited Partnership).
- (5) The sponsor of JD Industrial Technology LLC, being JD Industrial Technology Limited, holds the only common unit, while the other holders of preferred units of JD Industrial Technology LLC are the then shareholders of one of the Company's consolidated affiliated entities at the time of acquisition of such entity. Such arrangement has been adopted as it facilitates communications between the various shareholders and our Company via the private company as a single point. While only JD Industrial Technology Limited is entitled to vote, it does not hold economic interests in the JD Industrial Technology LLC.
- (6) Other Offshore Subsidiaries include the following direct and indirect subsidiaries of our Company:
 - (i) Jingdong Industrials Investment Ltd., our wholly-owned subsidiary incorporated in the Cayman Islands;
 - (ii) Jingdong Industrials Holding Ltd., our wholly-owned subsidiary incorporated in the Cayman Islands;
 - (iii) JINGDONG INDUSTRIALS (THAILAND) CO., LTD., which is incorporated in Thailand and is 99% owned by JINGDONG INDUSTRIALS PTE. LTD. and 1% owned by JD Industrial Technology (HK) Limited;
 - (iv) JINGDONG INDUSTRIALS PTE. LTD., a wholly-owned subsidiary of Jingdong Industrials Holding Ltd. incorporated in Singapore;
 - (v) JINGDONG INDUSTRIALS IRELAND LIMITED, a wholly-owned subsidiary of Jingdong Industrials Holding Ltd. incorporated in Ireland;
 - (vi) PT JINGDONG INDUSTRIALS INDONESIA, which is incorporated in Indonesia and is 99% owned by JINGDONG INDUSTRIALS PTE. LTD. and 1% owned by JD Industrial Technology (HK) Limited;
 - (vii) JINGDONG INDUSTRIALS MALAYSIA SDN. BHD, a wholly-owned subsidiary of JINGDONG INDUSTRIALS PTE. LTD. incorporated in Malaysia;
 - (viii) JINGDONG INDUSTRIALS DO BRASIL LTDA, a wholly-owned subsidiary of JINGDONG INDUSTRIALS PTE. LTD. incorporated in Brazil;
 - (ix) Jingdong Industrials Hungary Kft., a wholly-owned subsidiary of JINGDONG INDUSTRIALS IRELAND LIMITED incorporated in Hungary;
 - (x) JINGDONG INDUSTRIALS SUPPLY CHAIN (VIETNAM) COMPANY LIMITED, a wholly-owned subsidiary of JD Industrial Technology (HK) Limited incorporated in Vietnam;
 - (xi) Jingdong Industrials Company, a wholly-owned subsidiary of Jingdong Industrials Holding Ltd. incorporated in Saudi Arabia; and
 - (xii) JINGDONG INDPOWER GENERAL TRADING L.L.C.S.O.C, a wholly-owned subsidiary of Jingdong Industrials Holding Ltd. incorporated in United Arab Emirates.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate structure immediately following the Global Offering and the Conversion Adjustment

The following chart depicts the shareholding and beneficial ownership structure of our Group immediately following the completion of the Global Offering and the Conversion Adjustment, assuming that the Over-allotment Option is not exercised and excluding the shares may be issued under the Pre-IPO ESOP:



Notes (1) to (6): Please refer to the details contained in the preceding pages.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

SAFE REGISTRATION

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (the “**SAFE Circular 37**”), promulgated by SAFE and which became effective on July 4, 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

Pursuant to the Circular of the SAFE on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the “**SAFE Circular 13**”), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

As advised by our PRC Legal Adviser, Mr. Richard Qiangdong Liu (劉強東) completed the required registration with the SAFE on July 2, 2014.

BUSINESS

WHO WE ARE

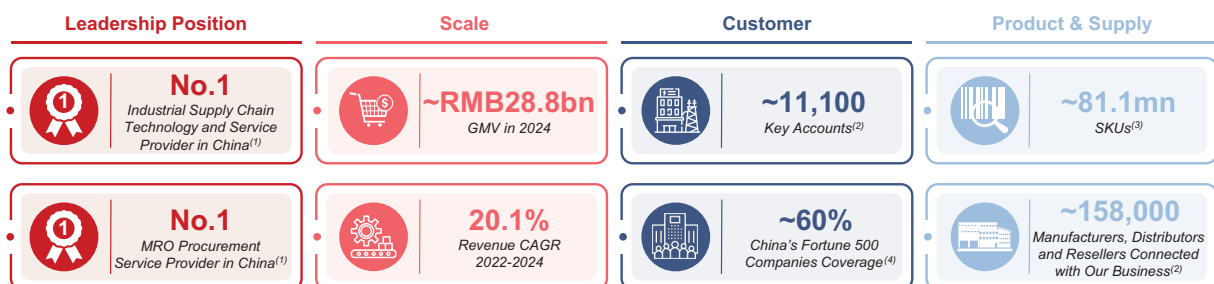
We are the leading industrial supply chain technology and service provider in China. Through transformative digitalization of the industrial supply chain, we help our customers increase supply chain reliability, reduce costs, enhance efficiency, and ensure compliance.

We offer a wide range of industrial products and digital supply chain services to satisfy diverse customer needs through Taipu (太璞), our digital industrial supply chain total solution that integrates digitalization (數) and products (實). Taipu is built upon our end-to-end supply chain digital infrastructure that covers products, procurement, fulfillment, and operations. We generate revenue primarily from sales of industrial products and provision of related services.

We started our supply chain technology and service business in 2017 focusing on MRO procurement service. Throughout years of development, we have established ourselves as the largest player in the MRO procurement service market in China, ranking No.1 as measured by GMV in 2024, which is nearly three times the size of the next largest player, according to CIC. As we expanded our focus to encompass the broader industrial supply chain market, we have also emerged as the largest service provider in China's industrial supply chain technology and service sector, with a market share of 4.1%, in terms of GMV in 2024, according to CIC. Our sustained growth in scale is a firm testament to the efficiency of our business model. From 2022 to 2024, our revenue from continuing operations grew from approximately RMB14.1 billion to RMB20.4 billion, representing a CAGR of 20.1%.

We have the broadest customer coverage in China's industrial supply chain technology and service market in 2024, according to CIC. In the twelve months ended June 30, 2025, we served approximately 11,100 key accounts. For the first half of 2025, our key accounts included around 60% of China's Fortune 500 companies and over 40% of Global Fortune 500 companies that had operations in China.

We offer an extensive variety of industrial products, standing as the broadest in China in terms of the number of SKUs as of December 31, 2024, according to CIC. As of June 30, 2025, we offered approximately 81.1 million SKUs across 80 product categories. Our product offerings are underpinned by our expansive industrial products sourcing network of approximately 158,000 manufacturers, distributors, and resellers on a nationwide basis for the twelve months ended June 30, 2025.



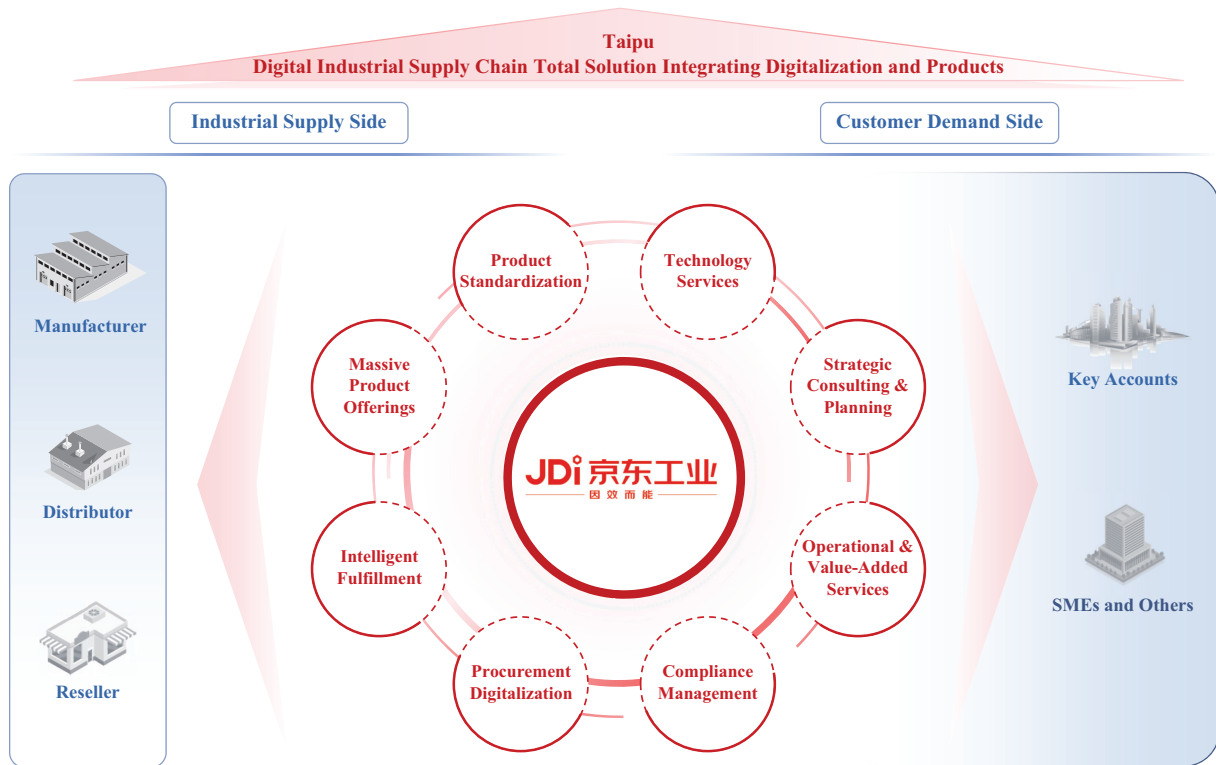
Notes: (1) In terms of GMV for the year ended December 31, 2024; (2) For the twelve months ended June 30, 2025; (3) As of June 30, 2025; (4) For the six months ended June 30, 2025.

OUR BUSINESS MODEL

We have established an end-to-end supply chain digital infrastructure and leverage our broad product offerings, superior services, and streamlined operations to address the common fundamental needs of the industry. Built on this digital infrastructure, Taipu is our digital industrial supply chain total solution that integrates digitalization and products. We have adopted an asset-light approach to

BUSINESS

build our efficient and expansive business and, through Taipu, provide customers of all sizes across various industries with comprehensive categories of industrial products and various technology and service offerings for diverse use cases.



Taipu represents a package of offerings encompassing industrial products and digital supply chain services, including strategic consulting and planning, technology services, and operational and value-added services. Depending on customer needs, we can offer either the full Taipu solution or selected components, such as a combination of product offerings and certain specific services. For details of the offerings under Taipu, including a case study that illustrates the Taipu solution, see “—Taipu’s Integration of Digitalization and Products.”

On the industrial supply side, we drive the digital transformation of every aspect of the industrial supply chain from products, procurement, fulfillment to operations, establishing an end-to-end digital infrastructure, which serves as the foundation for Taipu. We standardize and digitalize a large number of parameters and specifications from a diverse array of products, creating a unified and consistent “language system” across the entire industrial supply chain. We provide digital procurement services for key accounts, SMEs, and others, enabling them to procure industrial products conveniently. We leverage intelligent decision-making to optimize fulfillment plans and enable real-time fulfillment assurance for our customers. Our closed-loop digital services cover of procurement planning, transaction, and aftersales services, allowing our customers to achieve cost reduction, efficiency enhancement, and procurement transparency simultaneously.

On the customer demand side, leveraging our end-to-end digital infrastructure, we have extended our services into our customers’ internal operations to further empower their digital transformation with top-level strategic planning as well as development of procurement supply chain systems. Through our digital procurement solutions offered under Taipu, including e-commerce solutions, supplier relationship management solutions, and tendering solutions, we help customers

BUSINESS

navigate different procurement scenarios more effectively. We also provide procurement consulting services and build procurement operation and compliance systems for our customers, helping them manage suppliers efficiently with closed-loop control and mitigate potential risks. We also offer a wide range of industrial products, aggregate customer and supplier information, and facilitate synchronization between supply and demand.

We have created an asset-light model by leveraging the end-to-end digitalization of the industrial supply chain. We aggregate the purchase orders and intelligently source product supplies by digitally connecting and synchronizing inventory available from distributors and resellers and production capacity from manufacturers. Such approach allows a great part of our orders to be delivered directly from the supply end to the demand end. In addition to our in-house operations, our intelligent fulfillment system, fulfillment timeline management system, and logistics platform enable us to leverage third-party logistics capabilities, thereby minimizing our proprietary investment in logistics assets. Our business model coupled with strong technology capabilities enable us to maintain healthy working capital as our business continues to grow.

With our asset-light model, we have developed an expansive business, which enables us to scale rapidly and efficiently. Leveraging our brand name, supply chain capabilities and technology infrastructure, we can efficiently reach, serve and retain customers and capture their incremental wallet share. We have established market leadership in the industrial supply chain technology and service market. We have also successfully expanded our product offerings from general-purpose MRO products to professional MRO products, and are currently penetrating into BOM products. Geographically, we have expanded into selected overseas markets, including Southeast Asia, and certain other promising regions, to support the overseas venture of our key accounts.

Our Revenue Model

We generate revenue primarily from sales of products, with the rest of the revenue generated from provision of services, including marketplace and advertising services as well as technology and other services. We monetize Taipu digital industrial supply chain total solution through sales of products and provision of technology and other services.

<u>Revenue Model</u>	<u>Business and Customers</u>
Product Revenue	- Product revenue is generated from our sales of industrial products and recognized when products are delivered and title is passed to customers. The industrial products we sell primarily consist of MRO products and BOM products. Key accounts contributed the majority of our product revenue. We provide designated digital procurement systems to key accounts to access our product offerings through API or cloud-based connections. We also offer mro.jd.com (京東五金城) and vipmro.com (京東工品匯) to SMEs and others for procurement of industrial products. - We purchase a majority of products from our suppliers generally upon receiving orders from customers, and orders are often directly delivered from the supply end to the demand end. In addition, we also maintain our own inventory to better fulfill our customers' demand. We leverage accurate demand forecasts and advanced fulfillment network to achieve efficient inventory management. Therefore, we can maintain a manageable inventory level and reduce inventory risk.

BUSINESS

Revenue Model

Business and Customers

Service Revenue

- Marketplace service
 - We provide marketplace service, through which third-party merchants on our marketplace sell their products to customers.
 - Marketplace service revenue is in the form of commissions and platform usage fees that we charge to third-party merchants, where commissions and platform usage fees are generally charged at a certain percentage of sales and recognized at the point of delivery of products by the third-party merchants.
- Advertising services
 - We provide online digital marketing services to advertisers, including third-party merchants and suppliers. Our online digital marketing services include, among others, advertisement placements and pay-for-performance marketing services.
 - We charge advertising service fees to advertisers based on displays and effective clicks.
- Other services
 - We provide customers with technology and other services to empower their industrial supply chain digital transformation.
 - We primarily charge service fees to customers on a project basis.

OUR MARKET OPPORTUNITIES

China recorded the world's largest secondary industry output value in 2024 and is the only country that features all industrial categories listed in the United Nations Industrial Classification. Moreover, China leads the global industrial supply chain market, with the largest market size of RMB11.4 trillion in 2024, according to CIC.

China's industrial supply chain market is highly fragmented on both the supply and demand ends, with redundant distribution layers, non-standardized product parameters and specifications, and inefficient procurement process control within enterprises, leading to high costs, inefficiency, and low procurement transparency across the industrial supply chain. As a result, participants along the industrial supply chain have been calling for digital transformation to reduce costs and enhance efficiency.

The digital penetration rate of the industrial supply chain market in China was merely 6.2% in 2024 and is expected to reach 8.2% by 2029, according to CIC. The increasing digital penetration is expected to drive the industrial supply chain technology and service market to expand from RMB0.7 trillion in 2024 to RMB1.1 trillion in 2029, at a CAGR of 9.8%, according to CIC. As the industry increasingly shifts towards digitalization, traditional players may lack the capabilities or resources to digitalize their operations, while marketplace players normally have limited domain knowledge to resolve systemic supply chain problems. By adopting a differentiated business model and inheriting JD Group's profound domain knowledge in supply chain management, we believe we are best positioned to spearhead an end-to-end digital transformation for the industrial supply chain.

BUSINESS

OUR FINANCIAL PERFORMANCE

We have experienced significant growth during the Track Record Period. We generate a majority of our revenue from sales of products and the rest from providing marketplace, advertising, and technology and other services. Our total revenue from continuing operations increased from RMB14.1 billion in 2022 to RMB17.3 billion in 2023 and further to RMB20.4 billion in 2024, representing a CAGR of 20.1%. Our total revenue from continuing operations increased from RMB8.6 billion in the six months ended June 30, 2024 to RMB10.3 billion in the six months ended June 30, 2025. Among our total revenue from continuing operations, our product revenue increased from RMB12.9 billion in 2022 to RMB16.1 billion in 2023 and further to RMB19.2 billion in 2024, representing a CAGR of 21.7%. Our product revenue increased from RMB8.1 billion in the six months ended June 30, 2024 to RMB9.6 billion in the six months ended June 30, 2025. Our service revenue remained stable at approximately RMB1.2 billion from 2022 to 2024. Our service revenue increased from RMB550.0 million in the six months ended June 30, 2024 to RMB668.4 million in the six months ended June 30, 2025.

We recorded net loss of RMB1.3 billion in 2022, and net profit of RMB4.8 million and RMB761.6 million in 2023 and 2024, respectively. We recorded net profit of RMB291.2 million in the six months ended June 30, 2024, and net profit of RMB451.3 million in the six months ended June 30, 2025.

We review adjusted profit (non-IFRS measure) in evaluating our operating results and for financial and operational decision-making purposes. We define adjusted profit (non-IFRS measure) as profit or loss for the year from continuing operations, excluding share-based payment expenses, fair value changes of convertible preferred shares, loss on redesignation of convertible preferred shares, gain on repurchase of convertible preferred shares, listing expenses, and income tax effects of non-IFRS adjustments. By excluding the impact of these items which are non-cash in nature, we believe that the use of adjusted profit (non-IFRS measure) will provide investors with useful information in understanding and assessing our consolidated results of operations in the same manner as it helps our management. We recorded (i) an adjusted profit (non-IFRS measure) of RMB714.7 million, RMB817.7 million and RMB909.1 million in 2022, 2023 and 2024, respectively, representing a CAGR of 12.8% from 2022 to 2024; and (ii) an adjusted profit (non-IFRS measure) of RMB369.3 million and RMB495.4 million in the six months ended June 30, 2024 and 2025, respectively, representing a period-over-period growth rate of 34.1%. The increases in adjusted profit (non-IFRS measure) during the Track Record Period demonstrate the improving profitability of our business.

OUR STRENGTHS

The Leader in the Industrial Supply Chain Technology and Service Market in China

We are a pioneer in adopting a total solution to digitalize the industrial supply chain to address the common challenges faced by the industrial supply chain in China, with the goal to increase supply chain reliability, reduce costs, enhance efficiency, and ensure compliance. Beyond product sales, we focus more on providing digital supply chain solutions to our customers, empowering them in their digital transformation of procurement, and creating values along the industrial supply chain. We believe that our business model is hard to replicate, as it requires extensive experience, resources, and technological capabilities to apply digitalization across industry verticals, product categories, use cases, and geographies at scale.

We are the largest MRO procurement service provider in China by GMV in 2024, nearly three times the size of the next largest player, according to CIC. The MRO procurement service market in terms of GMV in China is massive, with a size of RMB3.7 trillion in 2024. As industrial enterprises

increasingly demand for digital transformation, the penetration rate of digital MRO procurement services in China is expected to grow from 9.5% in 2024 to 12.9% in 2029, indicating significant growth potential in light of the penetration rate in the U.S. of more than 15% in 2024.

Through our market leadership and our proven track record of enhancing supply chain efficiency in MRO procurement services, we are well positioned to further capitalize on the broader industrial supply chain market in China, which is expected to grow from RMB11.4 trillion in 2024 to RMB13.8 trillion in 2029. Within this broader market, the size of the industrial supply chain technology and service market in terms of GMV is expected to grow from RMB0.7 trillion in 2024 to RMB1.1 trillion in 2029, at a CAGR of 9.8%, according to CIC. In 2024, we achieved GMV of approximately RMB28.8 billion, making us the market leader in China's industrial supply chain technology and service market with a market share of 4.1%, according to CIC. Our market leadership enables us to benefit from economies of scale so that we can secure reliable supplies at more favorable terms and acquire customers more rapidly and efficiently. Such position also helps us amass more participants along the industrial supply chain, which drives the network effect that further reinforces our leading position.

Industry-Transforming Digital Supply Chain Total Solution

We developed an end-to-end digital infrastructure that covers products, procurement, fulfillment, and operations, transforming the traditional way of industrial supply chain management.

- **Product digitalization.** Industrial enterprises often struggle to cope with a vast array of non-standardized products, leading to high communication and transaction costs for all industry participants involved. To address such challenge, we have developed our proprietary Mercator product library, which standardizes and unifies product parameters and specifications across a great variety of SKUs. Our product library defines clear product parameters and specifications that are ultimately accepted and widely adopted by both of our customers and suppliers. By developing a standardized product library, we have effectively decoupled definitions of product parameters and specifications from supplier-specific labels, assisting our customers in managing their procurement processes in a compliant and transparent manner. Product digitalization lays the foundation for our total solution to digitalize the entire industrial supply chain, and has systematically enhanced efficiency for both the supply and demand ends.
- **Procurement digitalization.** Industrial product procurement has traditionally been cumbersome and opaque. We offer full-suite digital procurement services that navigate complex procurement of industry supplies, streamline periodic procurement of production materials, and facilitate small-scale, scattered procurement of long-tail products, thereby empowering our customers with a transparent, efficient, and cost-effective procurement experience. We offer a series of digital procurement systems that provide a wide range of products and comprehensive, tailored services featuring industries and customer characteristics. Customers can therefore place orders in a standardized, automated fashion, minimizing manual engagement throughout the procurement process, which leads to higher procurement efficiency and accuracy, as well as better compliance management.
- **Fulfillment digitalization.** Industrial enterprises often grappled with inefficient inventory management and logistics challenges. We address these pain points by digitalizing fulfillment through our industrial supply chain large model, which intelligently identifies the optimal fulfillment plan by analyzing key variables such as costs, inventory location

and availability, delivery timing, service quality of logistics service providers, and settlement periods, among others. As a result, we can fulfill customer orders in a cost-effective manner by minimizing costs associated with inventory, warehousing, and transportation, while ensuring precise delivery of customer orders with real-time visibility. Meanwhile, we are able to coordinate the warehousing systems of the supply end to efficiently dispatch inventory and optimize warehousing capacity. Since a great number of orders are delivered directly from the suppliers' warehouses, we have been able to successfully minimize our own inventory storage. Such superior inventory management capability has helped us achieve inventory turnover days attributable to continuing operations of 14.8 days in 2024, demonstrating our industry-leading inventory turnover efficiency, according to CIC.

- **Operation digitalization.** In addition to facilitate the purchase of industrial products, we provide a suite of closed-loop digital services to our customers. We craft tailor-made service proposals and adapt our digital infrastructure to best suit our customers' specific use cases and internal workflows. Our closed-loop digital services, such as smart settlement services, supply chain compliance management, supply chain control and management system, smart customer services, and tailored professional aftersales services, are designed and implemented in an integrated and seamless manner. As our digital infrastructure becomes increasingly interwoven with those of our customers, we are able to further elevate customer experience, cultivate customer loyalty, and capture a greater wallet share of their overall procurement spending.

Taipu, our digital industrial supply chain total solution, integrates digitalization and products by leveraging our digital infrastructure and our extensive experience serving millions of customers. We help our customers enhance industrial supply chain management, empower our customers with digitalization capabilities, and drive the digital transformation of their internal supply chain management. Beginning with top-level design, we offer holistic strategic consulting and planning, technology services over the industrial supply chain, massive offerings of industrial products, and operational and value-added services. Through Taipu digital industrial supply chain total solution, we strive to "let data analytics do the magic and minimize the product flow." We have facilitated a smoother synchronization between the procurement needs of the customer demand side and the industrial supply side, optimizing matching accuracy, fostering higher collaboration efficiency, and ultimately, enhancing the overall reliability and agility of the industrial supply chain.

In-depth Industrial Supply Chain Know-how

We have accumulated a wealth of in-depth supply chain know-how since our inception. We benefit from JD Group's profound domain knowledge in managing a massive end-to-end supply chain network for over two decades. Building on top of this foundation, we have achieved continuous breakthroughs in refining and upgrading our supply chain know-how in products, customers, industry verticals, and suppliers to better adapt to the evolving industrial supply chain.

We have accumulated strong product domain knowledge across a wide range of product categories. We had achieved the broadest coverage of SKUs in China's industrial supply chain technology and service market in terms of the number of SKUs as of December 31, 2024, according to CIC, and offered approximately 81.1 million SKUs as of June 30, 2025. By serving the most extensive customer base in this sector in 2024, we have deepened our know-how in providing tailored services to a diverse spectrum of customer base and, particularly, large enterprises with complex demand and

organizational structures. In the twelve months ended June 30, 2025, we served approximately 11,100 key accounts. With a broad presence across different industry verticals, particularly in manufacturing, energy, transportation, and other general industries, and by maintaining close working relationships with industry leaders, we have amassed comprehensive vertical know-how that can be modularized and applied to customers from the same verticals efficiently, as well as to swiftly explore and enter new verticals over time. According to CIC, we had the broadest coverage of suppliers in the industrial supply chain technology and service market in China in 2024. In the twelve months ended June 30, 2025, we sourced products from approximately 158,000 manufacturers, distributors, and resellers. Through our supplier network, we have accumulated in-depth supplier know-how in many aspects, such as product information, pricing, quality control, inventory availability, production visibility, fulfillment capabilities, and aftersales services. We leverage our supplier know-how to manage massive number of SKUs and navigate through vast group of suppliers simultaneously.

Leveraging our profound industrial supply chain know-how, we have expanded our customer base through a set of marketing strategy, resulting in strong customer loyalty while at the same time retaining robust profitability. In 2024, our selling and marketing expenses as a percentage of our revenue was 4.1%, and our average revenue contribution per sales personnel was RMB25.0 million, both of which set the industry-leading benchmarks for sales and marketing efficiency, according to CIC. Our strong customer loyalty is further demonstrated by our key accounts dollar retention rate of 105.7% in 2024, underscoring the loyalty that we have successfully cultivated among our valued customers.

Expansive Business Model

Since our inception, we have embraced a differentiated business model, which enables us to expand in an asset-light manner in multiple end-markets. Our capabilities are strategically designed to be interoperable across diverse industry verticals, product categories, use cases, and geographies.

Our proprietary Mercator product library enables us to standardize product parameters and specifications efficiently across a massive and increasing arrays of product categories. We enable swift implementation of digital connections for our customers to access our procurement services seamlessly, enabling us to broaden our customer reach effectively. We also streamline the onboarding of new suppliers by integrating with their diverse IT systems, so that we can expand product offerings rapidly and enable warehouse and inventory management on a large scale. When it comes to logistics services, we have forged strategic partnerships with major logistics service providers in China to ensure robust and efficient fulfillment as we scale up our business operations. In addition, our smart settlement services streamline the process of order generation, reconciliation, billing, and settlement for a variety of customer types and industry verticals. Meanwhile, we have also adopted supply chain financial technology services to reduce working capital requirements. Moreover, our advanced technology infrastructure and middleware have established a robust foundation, empowering us to operate and develop with great efficiency.

Our expansive business model has enabled us to rapidly broaden our offerings across diverse industry verticals, product categories, use cases, and geographies. As a result, we recorded a strong GMV growth with a CAGR of 13.5% from 2022 to 2024, outpacing the average growth rate of leading players in China's industrial supply chain technology and service industry for the same period, according to CIC. In addition, we extended our product offerings from general-purpose MRO products to professional MRO products, and further to BOM products. Drawing on our successful service

BUSINESS

experience and solid reputation in the domestic market, we have also strategically targeted key accounts with ambitions and planning on overseas expansion. Leveraging robust and agile cross-border and local supply chains, we provide reliable industrial products to support our customers' overseas venture. We have successfully accompanied key accounts in terms of their expansion into selected overseas markets, including Southeast Asia and certain other promising regions, and are continuing to grow across overseas markets. Furthermore, we have been able to expand rapidly over time across diverse industry verticals, product categories, use cases, and geographies, while maintaining a profitable growth.

Superior Brand Image and Synergies in the JD Ecosystem

We enjoy strong brand recognition bolstered by our relationship with JD.com. JD.com ranked 44th in the 2025 Fortune Global 500 list. As China's leading online retailer, JD.com sets the industry standard for e-commerce through its relentless commitment to quality and authenticity. Leveraging such well-established brand image, we have successfully penetrated high-value customer base across diverse industry verticals, earning widespread brand recognition and enduring customer loyalty.

In addition to our brand strength, we also enjoy significant synergies within the JD ecosystem. We have inherited, and will continue to leverage, JD Group's best-in-class supply chain-based technology platform, deep product expertise, strong service capabilities, and vast talent pool, all of which empower us to continually enhance our technology and service capabilities. We partner with JD Logistics to access its established nationwide fulfillment network and infrastructure, thereby strengthening our network coverage and improving our overall customer experience. JD Technology equips us with robust supply chain financial technology services in relation to the trade receivables primarily originating from our key accounts, empowering us to scale rapidly while at the same time maintaining low working capital requirements.

Knowledgeable and Experienced Management Team

Our CEO, Mr. Chunzheng Song, is 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, establishing it as the benchmark for the industry. Mr. Song has started leading the internal incubation and innovation of our business in July 2017, and has since then been driving our total solution to digitalize the industrial supply chain, bringing in significant cost reduction and efficiency enhancement on an industry-wide basis. Mr. Song is one of the very few talents in the industry who possess the unique combination of abundant internet sector experience, deep insights into the enterprise market, and substantive expertise in digital supply chain technologies. Mr. Song has been a trailblazer in the industry, propelling and catalyzing the digital transformation of the industrial supply chain.

As an industry focused on serving enterprises, the industrial supply chain technology and service sector demands a unique set of skills from a company's management to become successful. These skills include profound understanding of industrial supply chain, in-depth product and vertical knowledge, strong technological background, and proven operational execution capabilities. In addition to our CEO, our management team is comprised of seasoned executives who bring a wealth of experiences in enterprise business, industrial sectors, and internet and e-commerce, many of them hold long tenures at JD Group, all sharing a unified vision and possessing complementary skill sets. Under the leadership of our CEO, our management team has integrated their respective industry know-how

BUSINESS

with JD Group's foundational expertise in supply chain and ecosystem synergies, and has developed a distinctive set of capabilities for us to maintain our competitive strengths.

OUR STRATEGIES

Continue to Enhance Our Supply Chain Technological and Service Capabilities

We believe that the value we create for industrial supply chain is fundamentally supported by our superior supply chain technological and service capabilities. We are committed to, and will continue to invest in our proprietary technological capabilities. For example, we aim to further develop our core systems to reinforce Taipu's capabilities on both the industrial supply side and the customer demand side, therefore equipping our customers with more comprehensive and advanced digital services. Such initiatives will also empower us to further elevate supply chain efficiency at a grander scale across a broader set of diversified use cases. In terms of service capabilities, we remain steadfast in further deepening our expertise across the entire industrial supply chain, continually expand our product offerings, and hone our ability to provide strategic consulting and planning, technology services over the industrial supply chain, massive offerings of industrial products, and operational and other value-added services tailored to the evolving demand of our customers.

Further Expand Our Customer Base and Capture Additional Share of Their Procurement Spending

We aim to continue to educate existing and potential customers and cultivate their awareness of the substantial efficiency enhancement that can be realized through the adoption of our industrial supply chain total solution, as opposed to simply facilitating the purchase of industrial products. By reshaping the perceptions of our customers, we will further enhance customer trust and loyalty to support the long-term development of our customer relationships.

For key accounts, our approach typically commences with the top-level design, followed by providing solutions for their comprehensive procurement scenarios. For existing key accounts, we will continue to refine our digital procurement systems to improve our customers' procurement efficiency and accuracy. We remain steadfast in improving our e-commerce solutions, supplier relationship management solutions, and tendering solutions to better address the complex procurement scenarios of our key accounts and increase our wallet share within their procurement spending. We are committed to deepening our engagement with and penetration into all aspects of our customers' supply chain management, such as smart fulfillment, as well as operational and value-added services. Additionally, we will continue to actively pursue and engage with new key accounts with significant needs for supply chain digitalization in the industry verticals where our business is growing. For SMEs and other customers, we intend to offer a comprehensive selection of product sources and categories and continually improve their procurement and fulfillment experience in order to attract greater traffic to our offerings.

Continue to Strengthen Team Building and Enhance Service Quality and Operational Capabilities

We will continue to elevate our operational capabilities through enhancing the expertise of our team and deepening our understanding of customers' needs. By doing so, we aim to maximize the impact and the effectiveness of our product and service offerings. We firmly believe that a strong talent pool is crucial to our long-term success. Therefore, we will prioritize investment in talent acquisition,

development, and cultivation, focusing on critical areas such as research and development, specialized product and industry vertical knowledge, and sales and services, among others, which we aim to realize through targeted and comprehensive employee training programs. In alignment with our overseas strategy, we will emphasize the attraction, nurturing, and retention of exceptional global talent, as well as incentivizing such individuals to retain and enhance our competitiveness on a global scale.

Continue to Explore New Market Opportunities

To take full advantage of our superior domain knowledge and advanced technological capabilities of industrial supply chain, we will continually explore new market opportunities by expanding the breadth and depth of our offerings, with a focus on expanding our SKUs across MRO products and BOM products that are commercially attractive, resonating with the needs of our customers, and reflecting our deep industry insights.

We are committed to continuous expansion across overseas markets to further capture opportunities all around the globe. In the short term, we will continue to leverage our robust customer relationships in China and capitalize on the momentum of Chinese enterprises expanding overseas. We are establishing cross-border and overseas local supply chains to accompany and support our key accounts' ventures into emerging markets overseas. In the medium term, we plan to broaden our footprint into more developed markets overseas. We intend to forge connections with key accounts in overseas countries and regions and directly collaborate with overseas local manufacturers to localize our supply chain. In the long term, we aspire to scale our operations across major global economies to cover key accounts and SMEs in those countries and regions, globalizing our overseas supply chain, and establishing ourselves as a world's leading industrial supply chain technology and service provider.

We also intend to selectively pursue investment and M&A opportunities within China and internationally. As of the Latest Practicable Date, we have neither identified, engaged with, nor entered into any formal negotiations regarding any specific investment or acquisition targets.

TAIPU — OUR DIGITAL INDUSTRIAL SUPPLY CHAIN TOTAL SOLUTION

We are the leading industrial supply chain technology and service provider in China in terms of GMV each year from 2022 to 2024, according to CIC. Since our inception in 2017, we have been committed to digitalizing the entire industrial supply chain to meet the needs of our customers. We provide integrated industrial supply chain technology and services to help our customers increase supply chain reliability, reduce costs, enhance efficiency, and ensure compliance. By focusing on addressing the common fundamental needs of various industries and customer groups, we spend great efforts in cultivating our digital supply chain capabilities to be interoperable across industry verticals, product categories, use cases, and geographies.

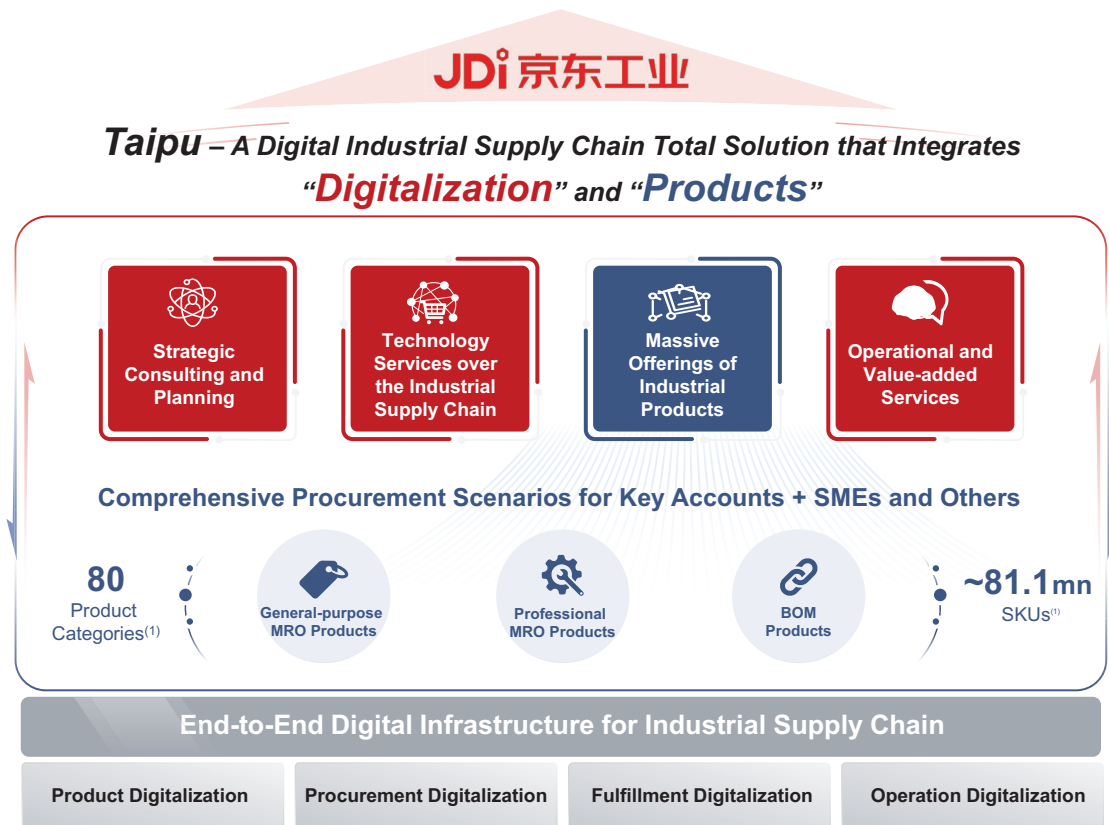
Our integrated industrial supply chain technology and services are built upon the end-to-end digital infrastructure, which covers products, procurement, fulfillment, and operations. Leveraging this digital infrastructure, Taipu integrates digitalization and products, and empowers our customers to transform their own industrial supply chains with a top-down approach and enhance procurement efficiency. Rather than a separate solution, Taipu is a package of our existing offerings encompassing industrial products and a range of supply chain services including strategic consulting and planning,

BUSINESS

technology services over the industrial supply chain, and operational and value-added services. We monetize our Taipu digital industrial supply chain total solution through sales of products and provision of technology and other services.

We began our journey by offering general-purpose MRO products, and gradually expanded our product offerings to include professional MRO products and BOM products. The industrial products we offered are the broadest in China in terms of number of SKUs as of December 31, 2024, according to CIC. As of June 30, 2025, we offered approximately 81.1 million SKUs across 80 product categories. We have accumulated invaluable business insights of our customers' procurement needs after years of growth and development of our digital supply chain solutions.

For the twelve months ended June 30, 2025, we served approximately 11,100 key accounts. Our key accounts mostly come from industries such as manufacturing, energy, transportation, and other general industries. We also serve SMEs and other demand-end participants such as sole proprietors and contractors. For the twelve months ended June 30, 2025, we sourced industrial products from approximately 158,000 manufacturers, distributors, and resellers. We also coordinate with major logistics service providers in China to deliver industrial products to our customers.



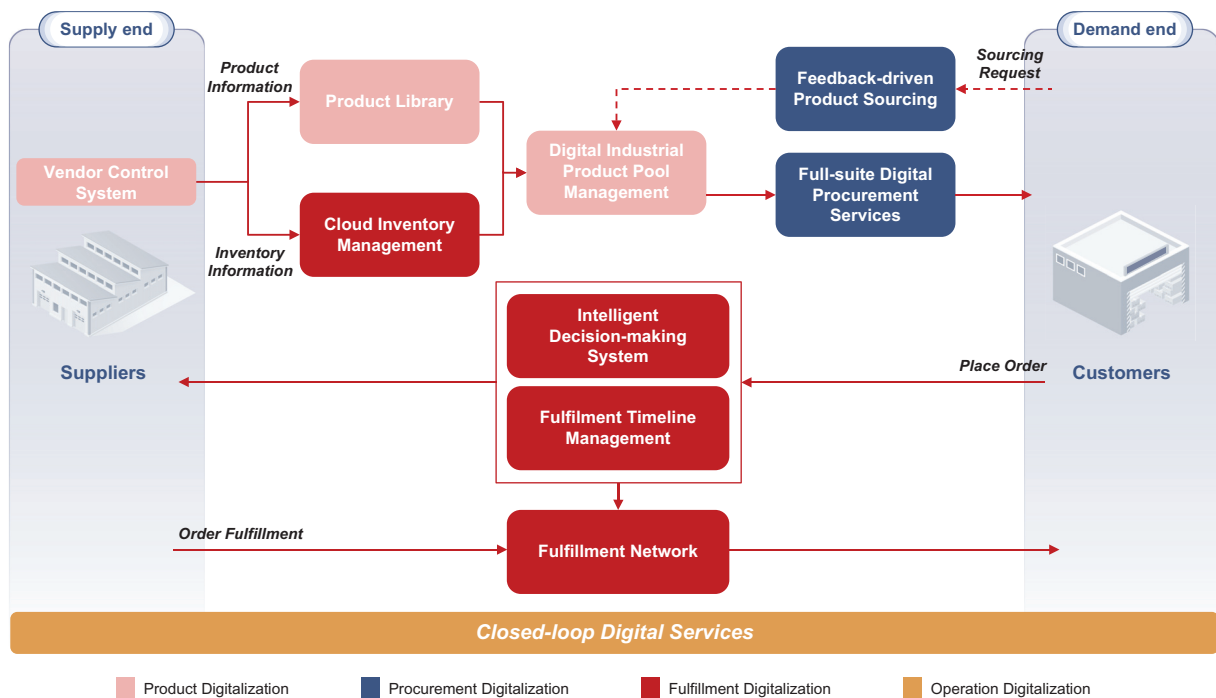
Note: (1) As of June 30, 2025.

OUR DIGITAL INFRASTRUCTURE UNDERLYING TAIPU

Our digital infrastructure is our core capability that promotes the digital transformation of industrial enterprises.

BUSINESS

We have transformed the industrial supply chain through digitalization of products, procurement, fulfillment, and operations, leading to meaningful cost reduction and substantial efficiency enhancement for participants along the industrial supply chain. As we digitalize and standardize industrial product information, we are able to synchronize with more suppliers to satisfy the needs of our customers and to better aggregate suppliers' inventory information. Through our full-suite digital procurement services, we offer our customers with one-stop procurement management. We then use advanced algorithms to generate optimal fulfillment plans. We also offer a broad range of closed-loop digital services to assist our customers in enhancing their supply chain management and internal control.



Our digital infrastructure serves as the foundation for Taipu. The suite of digital systems we have developed, including Mercator, *Gongding*, *Lingxi*, K2 and others, are the pillars of this digital infrastructure. Such systems enable us to efficiently and intelligently source and fulfill a wide range of industrial products for our customers and provide them with better procurement experience. In the meantime, we leverage the technologies and know-how underlying those systems to provide consulting, technology and other digital supply chain services to customers, helping them build their internal supply chain systems, digitalize their operations and synchronize with supply end. In this way, Taipu effectively integrates digitalization with product procurement, streamlining each step involved in the supply chain process.

Product Digitalization

We take initiatives to set and unify the “language system” along the industrial supply chain through product digitalization, aiming to address the inconsistency in product parameters and specifications and incompleteness in product offerings. Our product digitalization is mainly achieved through our proprietary Mercator product library, vendor control system, and *Gongding* digital industrial product pool management system.

Mercator product library. Our Mercator product library is a vital component of our product digitalization. By leveraging AI deep learning techniques to analyze standard product classification and attributes, guidance from product manufacturers, product information collected from participants along the supply chain, and knowledge and experience from industry experts, we have developed a set of unified and consistent definitions of product parameters and specifications. These definitions of parameters and specifications are applied to label the products in our Mercator product library through massive data cleaning and extraction. Our Mercator product library aims to “translate” product information from the supply and demand ends into standardized product parameters and specifications, thereby effectively reducing communication and transaction costs in the procurement process.

Vendor control system. Our digital vendor control system offers manufacturers, distributors, and resellers a dashboard to showcase and manage their products, inventory, pricing, and other related information.

Digital industrial product pool management. *Gongding* is a digital industrial product pool management system that imports, registers, and manages product information and pricing in product pools. *Gongding* utilizes advanced AI technologies to intelligently identify product parameters, cross-reference them with our customers’ procurement catalogs and industry price indices, and propose adjustments to product assortment and pricing in the pool accordingly. *Gongding* incorporates automated mechanisms that alert our quality control team of any product that does not conform to expected industry standards or display abnormal pricing, allowing us to promptly implement quality control measures.

Procurement Digitalization

We provide our customers with full-suite digital procurement services, and facilitate transparent, efficient, and cost-effective procurement experience. Additionally, we have integrated *Lingxi*, a powerful tool to source products that may not be available in *Gongding* digital industrial product pool.



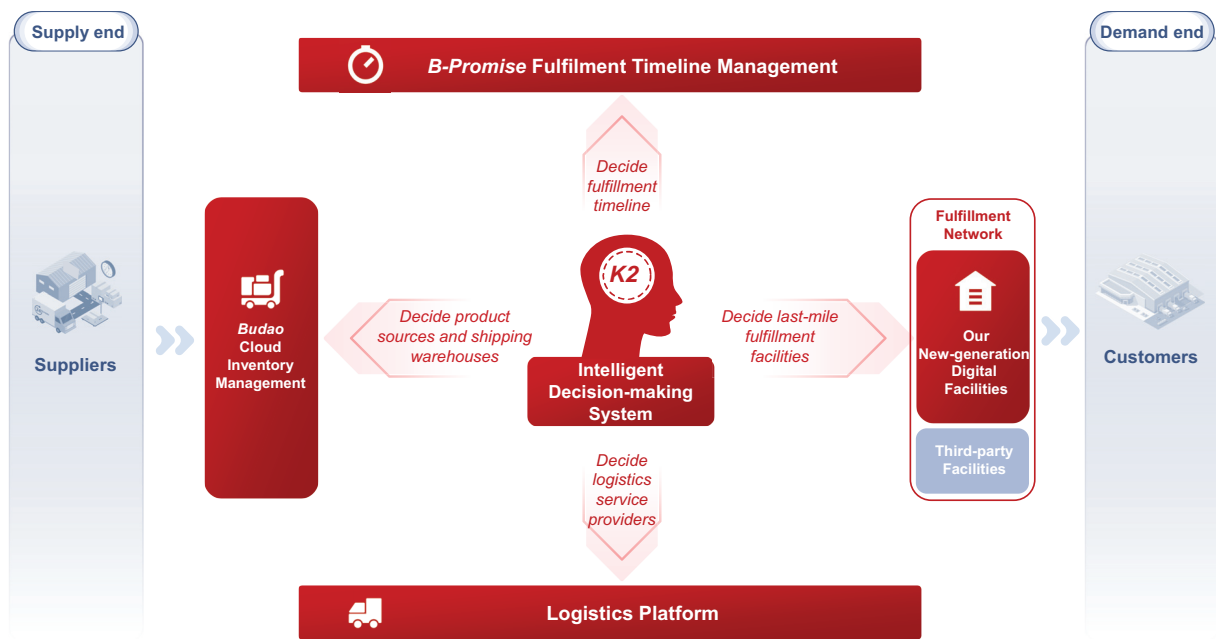
Full-suite digital procurement services. We provide full-suite digital procurement services for our customers to manage their procurement processes in various scenarios, including navigating complex procurement of industrial supplies, streamlining periodic procurement of production materials, and facilitating small-scale, scattered procurement of long-tail products. For key accounts, we enable swift implementation of digital connections and provide them with IXP, designated digital procurement systems that come with IOP (工采通) and ISP (工采). IOP refers to our proprietary API connections to key accounts which have their own procurement management systems, whereas ISP refers to cloud-based connections to key accounts which do not have their own procurement management systems. We draw on extensive industry expertise, broad selection of products, and advanced data analytics and AI technologies to display comprehensive and detailed product information, provide transparent and stable pricing, and empower key accounts to make informed procurement decisions. We offer comprehensive and tailored procurement management services for key accounts to efficiently search products and manage transactions. For SMEs and other customers, we connect them through mro.jd.com (京東五金城) and vipmro.com (京東工品匯). Leveraging advanced data analytics and AI technologies, we analyze the customer profiles of SMEs to deeply understand their needs. We provide them with a large assortment of products, competitive pricing, and consistent quality. We also offer SMEs and others procurement experience by use cases where a list of products based on a specific use case is automatically generated each time, so that SMEs and others can easily search and select products with a single click and place an order with multiple products.

Feedback-driven product sourcing. Our feedback-driven product sourcing system, *Lingxi*, helps source products that may not be available in *Gongding* digital industrial product pool and further streamlines product sourcing efforts within our ecosystem. Upon initiation of product sourcing through *Lingxi*, manufacturers, distributors, and resellers in our ecosystem can receive detailed sourcing requests outlining desired product characteristics and use cases. *Lingxi* is an intelligent system that analyzes these requests and sources suitable products based on factors such as price, inventory availability, and fulfillment plans. Our service team is also available to provide additional support as needed.

Fulfillment Digitalization

Our fulfillment digitalization is built upon our advanced warehouse and order management capabilities. In terms of warehouse management, we implement a cloud inventory approach to coordinate with the warehousing systems of manufacturers, distributors, and resellers to efficiently dispatch inventory, optimize warehousing capacity, and reduce the costs in shipping industrial products. In terms of order management, we intelligently consolidate customer order information, fulfill orders in a centralized manner, and enable our customers to monitor and manage large volumes of orders and shipments. Our fulfillment digitalization revolves around our proprietary K2 intelligent decision-making system to optimize fulfillment plans for customer orders. We also provide real-time visibility to our customers through B-Promise for them to effectively monitor fulfillment timeline. Furthermore, our efficient inventory management helped us achieve inventory turnover days attributable to continuing operations of 14.8 days in 2024, which demonstrated our industry-leading inventory turnover efficiency, according to CIC.

BUSINESS



Intelligent decision-making system. K2 acts as the nerve center of our fulfillment digitalization, providing our customers with optimal decisions throughout the entire fulfillment process. Leveraging advanced data analytics, K2 evaluates variables such as costs, inventory location and availability, delivery timing, service quality of logistics service providers, and settlement period, to generate optimal fulfillment plans. K2's notable capacities include intelligently deciding product sources and shipping warehouses, fulfillment timeline, logistics service providers, and last-mile fulfillment facilities.

Cloud inventory management. We use *Budao* to establish and coordinate an extensive network of the warehouses of manufacturers, distributors, and resellers, ensuring real-time synchronization of their inventory and production capacity information. *Budao* traces product sources and directly connects them with demand while analyzing optimal strategies to deploy inventory resources. This approach eliminates unnecessary product shipment caused by redundant distribution layers and streamlines the fulfillment process for our customers. We provide connections to ensure that manufacturers, distributors, and resellers can conveniently integrate with our system, including API connections for those with existing ERP systems and cloud-based connections for those with limited digital infrastructure.

Fulfillment timeline management. B-Promise provides our customers with accurate delivery estimates, timing commitments, and customized delivery plans. Our extensive experience in managing deliveries and collaborating with logistics service providers enables us to provide real-time visibility throughout the fulfillment process, allowing our customers to oversee and monitor their orders. B-Promise seamlessly connects logistics service providers' systems to manage delivery time based on customers' requests. This allows our customers to plan for order receipts with greater efficiency and improve their inventory turnover.

Logistics platform. We have formed strategic partnerships with major logistics service providers in China. These partnerships allow us to embed a vast logistics service network onto our platform to ensure robust and efficient fulfillment as we continue to scale our business operations. Moreover, we leverage our bargaining power and industry expertise to assist our customers, particularly SMEs, in obtaining more favorable pricing terms for deliveries.

Fulfillment network. Our nationwide fulfillment network spans almost all cities and major industrial clusters in China through partnerships with logistics service providers. With a vast and extensive fulfillment network, we can provide our customers with a wide range of fulfillment options and efficiently dispatch warehousing, logistics, and fulfillment resources to ensure timely and accurate delivery of orders. To complement the warehousing systems of manufacturers, distributors, and resellers connected through our cloud inventory approach and the last-mile facilities of the logistics service providers on our logistics platform, we have developed our own last-mile fulfillment infrastructure as a part of our fulfillment network. As of June 2025, we had deployed various types of new-generation digital facilities, including 540 lightweight front warehouses and 30 front warehouses. As of June 30, 2025, we had 285 Jinggong Cabinets in place.

- *Lightweight front warehouses* receive and inspect products, and aggregate orders that were previously dispersed among different sources, product categories, and logistics channels, and send to our customers in one go. We strategically choose the locations of lightweight front warehouses based on their geographical coverage and proximity to our customers' plant sites.
- *Jinggong Cabinets* are placed close to the production lines inside our customers' plant sites. They match inventory with production and generate product lists for production staff's efficient collection. Jinggong Cabinets also track inventory collection, use, and return, provide real-time inventory information, and send procurement notices once inventory storage falls below specified thresholds.
- *Front warehouses* are purposely designed to facilitate timely delivery of products, often on an hourly basis. Front warehouses are typically placed in industrial parks and clusters. Leveraging advanced data analytics, we improve the accuracy of our demand forecast and strategically arrange product assortments for each front warehouse.
- *Intelligent mobile warehouses* are movable together with construction sites, which are particularly helpful in challenging industrial environments such as the construction industry or remote areas. The warehouses consist of movable fire-proof containers and floors, and are equipped with smart features such as radio-frequency identification, temperature and humidity sensor, face recognition, access control system, and IoT sensors.

BUSINESS

**Lightweight Front
Warehouses**



Jinggong Cabinets



Front Warehouses



**Intelligent Mobile
Warehouses**



Operation Digitalization

Our operation digitalization is intricately woven into almost every aspect of our customers' business operations. Our deep understanding of our customers allows us to design tailor-made service proposals to best suit their specific use cases and internal workflows. Unlike services offered on a piecemeal basis, our services are designed and implemented to operate smoothly in an integrated manner.

We offer smart settlement services (易结算) that enable our customers to manage reconciliation, billing, settlement, and invoices more efficiently. We also offer supply chain compliance management, supply chain control and management system (供应链控制塔), smart customer services, and tailored professional aftersales services. As our digital infrastructure becomes increasingly integrated and compatible with our customers' systems, we allow them to achieve cost reduction, efficiency enhancement, and procurement transparency simultaneously.

TAIPU'S INTEGRATION OF DIGITALIZATION AND PRODUCTS

We leverage our digital infrastructure to develop Taipu, a digital industrial supply chain total solution that helps industrial enterprises enhance overall industrial supply chain management. Our Taipu features the integration of digitalization and products. Taking a top-down approach, Taipu encompasses offerings of industrial products and a range of supply chain services including strategic consulting and planning, technology services over the industrial supply chain, and operational and value-added services. We monetize our Taipu digital industrial supply chain total solution through sales of products and provision of technology and other services.

Strategic Consulting and Planning

We provide our customers with an extensive package of consulting, from planning, implementing, to coaching. We help our customers delve into evaluating and enhancing their operational workflows, and provide suggestions to optimize productivity and resource allocation. We work closely with our customers to develop customized strategies that align with their unique business needs to achieve supply chain digital transformation.

Technology Services over the Industrial Supply Chain

We provide our customers with comprehensive technology services to help them build robust digital supply chain systems by leveraging IOT, cloud computing, AI technologies, and big data. With these technological tools deployed, we are able to synchronize customers' production schedules, maintenance plans, and inventories, enabling better supply chain operations and prediction of industrial supply needs. For example, we enable real-time monitoring of equipment condition and detecting of system malfunction, which in turn allows predictive maintenance.

Massive Offerings of Industrial Products

We help our customers manage their industrial product supply chains to cover their comprehensive procurement scenarios. Products we offer cover a wide range of industrial supplies including general-purpose MRO products, professional MRO products, and BOM products, to meet the diverse needs of key accounts, SMEs, and others. These products are sourced and fulfilled through our digital infrastructure.

Our industrial product offerings include general-purpose MRO products, professional MRO products, and BOM products. The industrial products we offered are the broadest in China in terms of number of SKUs as of December 31, 2024, according to CIC. As of June 30, 2025, we offered approximately 81.1 million SKUs across 80 product categories. In particular, our vast product assortment equips us with the capabilities to better meet the diversified demand of key accounts, SMEs, and others for industrial products, which are critical for their specific procurement needs and unplanned purchases.

- General-purpose MRO products refer to MRO products designed and manufactured for use in a wide range of industries and applications. These products are typically standardized, meaning that they can be used in a variety of settings and are not customized for specific use cases. Examples of general-purpose MRO product categories include (i) safety and security, (ii) cleaning and janitorial, (iii) handling, shipping, and storage, (iv) wires and cables, (v) welding supplies, (vi) tools, and (vii) personal protective equipment.
- Professional MRO products refer to MRO products used in professional use cases or for professional purposes by trained and specialized technicians and service providers who have expertise in specific areas. Examples of professional MRO product categories include (i) chemicals, (ii) lifting equipment, (iii) instruments, (iv) metalworking, (v) lab supplies, (vi) motors and power transmission, and (vii) mechanical equipment.
- BOM products refer to bill of materials, meaning parts and materials in process which are used in an original manufacturing process to produce final products. Examples of BOM products include (i) electronic components, and (ii) fasteners.

Operational and Value-Added Services

We offer our customers a range of operational and value-added services, including operational planning and design, supplier management, customer service and aftersales support, settlement, and risk management, among others. Additionally, we help our customers monitor energy consumption in real-time, track historical equipment energy consumption, and perform AI-backed analysis and forecast, assisting our customers in systematically developing and adjusting energy consumption plans. Our comprehensive services are designed to enhance operational efficiency, ensure smooth transaction processes, and provide ongoing support to address customer needs effectively.

Case Study

One of our key accounts is a global electronics company with substantial manufacturing operations in China. The customer encountered a number of supply chain challenges including limited access to quality industrial supplies, pressure to reduce cost and improve operational efficiency, a lack of centralized control over the supply chain and poor data quality. To help the customer tackle these challenges, we provide it with Taipu, our digital industrial supply chain total solution encompassing a wide variety of industrial products as well as customized digital supply chain services, including strategic consulting and planning services and technology and value-added services.

Through strategic consulting and planning at the customer's group level, part of the services under Taipu, we helped the customer develop and implement a comprehensive plan aimed at enhancing its procurement capabilities. The plan covers transitioning the customer's procurement of MRO products online, restructuring and centralizing its internal procurement structure, strengthening its supplier base and consolidating SKUs, enabling easier transaction settlement and enhancing its inventory management.

Through our technology and value added services offered as part of Taipu, we helped the customer upgrade its internal procurement system. We introduced an intelligent procurement system, allowing the customer's procurement staff to easily search from a pool of industrial products, efficiently complete the internal approval process, and place orders with ease. To further enhance search efficiency and accuracy, leveraging our Mercator product library, we conducted a thorough data cleansing and de-duplication inside the customer's request list of MRO products, creating a standardized and consolidated MRO product database that enables quick search and accurate data analysis. We also established a procurement control tower for the customer with a data dashboard, which allows the customer to visualize and better monitor its overall purchasing status.

On the products side, we offer the customer an assortment of high-quality, cost-effective industrial products under Taipu that are tailored to its manufacturing needs, such as storage, packaging and metalworking products and tools. Furthermore, we deliver products to the customer's factories across China on a timely basis and save its operational staff from the burden of paperwork through digitalized bill reconciliation and settlement. The customer was impressed by the quality of the thousands of MRO products we provide and the speed of our delivery, which allow it to reduce purchase cost effectively without disrupting its normal business operations.

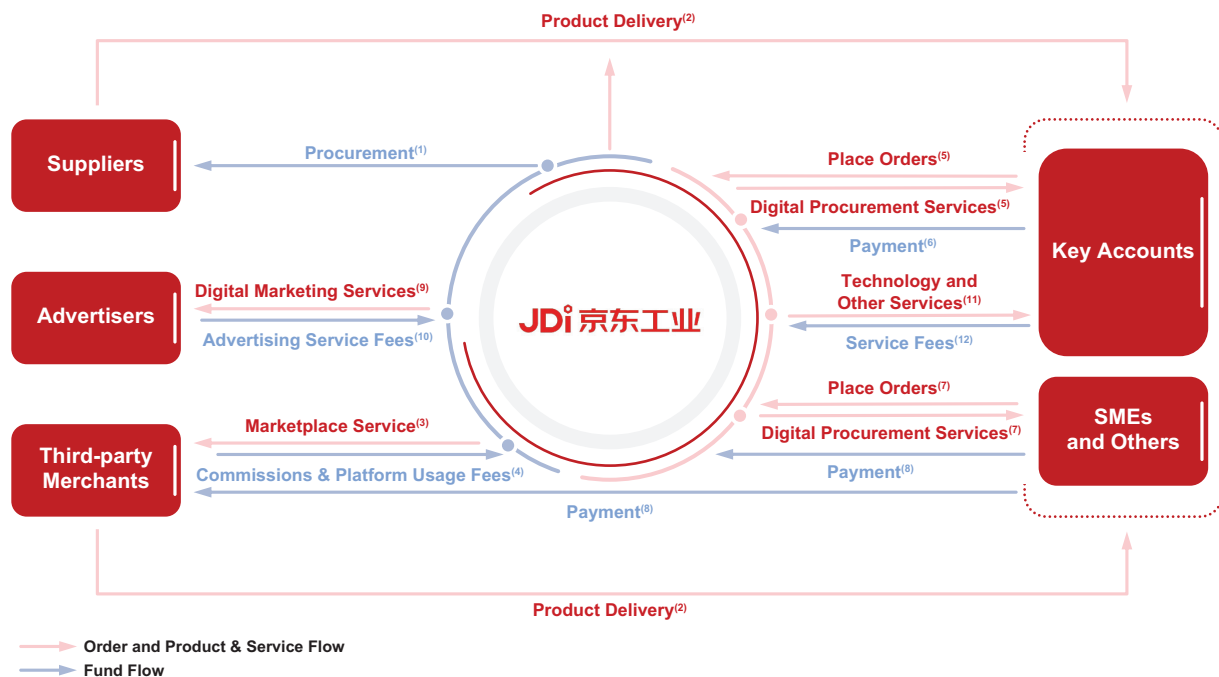
Thanks to Taipu, the customer now enjoys a more efficient, centralized, and robust supply chain, featuring an improved supplier base and a streamlined procurement process. With better visibility and transparency along its supply chain, the customer is able to make more informed procurement decisions. Meanwhile, we have seen a significant increase in purchase orders from this customer.

BUSINESS

PRODUCTS AND SERVICES TO OUR INDUSTRIAL SUPPLY CHAIN PARTICIPANTS

We engage in sales of industrial products through our full-suite digital procurement services, where we procure products from suppliers and sell them to key accounts, SMEs, and others. We also provide (i) marketplace service to third-party merchants who sell their products on our marketplace, (ii) digital marketing services to advertisers, and (iii) technology and other services mainly to key accounts.

The diagram below illustrates the product and service flow between our industrial supply chain participants and us:



Notes:

- (1) We procure industrial products from our network of trusted suppliers. We are entitled to the ownership of inventory procured by us. Inventory is either stored in the warehouses operated by us, or, in most cases, directly managed by suppliers under our cloud inventory approach under which we source products and directly connect the supply end with the demand end.
- (2) For orders placed with us, in addition to delivering products to our customers, we adopt a cloud inventory approach where our suppliers could directly deliver products to our customers. Logistics services are provided by logistics service providers, including JD Logistics and other major third-party logistics service providers. We are responsible for logistics service fees for orders placed with us. Product delivery is typically completed within twelve days after payment is made. For orders placed with third-party merchants, third-party merchants are responsible for product delivery and management of delivery timeline.
- (3) We allow third-party merchants to operate their online stores on our marketplace and offer industrial products to the demand end.
- (4) For marketplace, we primarily collect commissions and platform usage fees from third-party merchants according to the terms of our contracts with them. Commissions and platform usage fees are generally charged at a certain percentage of sales.
- (5) We provide designated digital procurement systems to key accounts. Key accounts access our designated digital procurement systems through API (IOP) or cloud-based connections (ISP). Key accounts procure industrial products mainly directly from us through the designated digital procurement systems.
- (6) Key accounts pay the transaction value to us or third-party merchants for the products procured, through third-party payment service providers, to whom we pay payment service fees. We typically allow a credit period of 30 to 180 days for key accounts.
- (7) We connect SMEs and others through mro.jd.com (京東五金城) and vipmro.com (京東工品匯). SMEs and others procure industrial products from third-party merchants or directly from us.

BUSINESS

- (8) SMEs and others pay the transaction value to us or third-party merchants for the products procured, through third-party payment service providers. As the transaction is facilitated through us, we pay payment service fees to third-party payment service providers. For most SMEs and others, payment is typically received within one to one and a half days after an order is placed.
- (9) We provide digital marketing services to advertisers to promote their products and services online.
- (10) For digital marketing services, we collect advertising service fees, which are based on displays and effective clicks.
- (11) We provide technology and other services mainly to key accounts.
- (12) For project-based technology and other services, service fees are typically contractually determined.

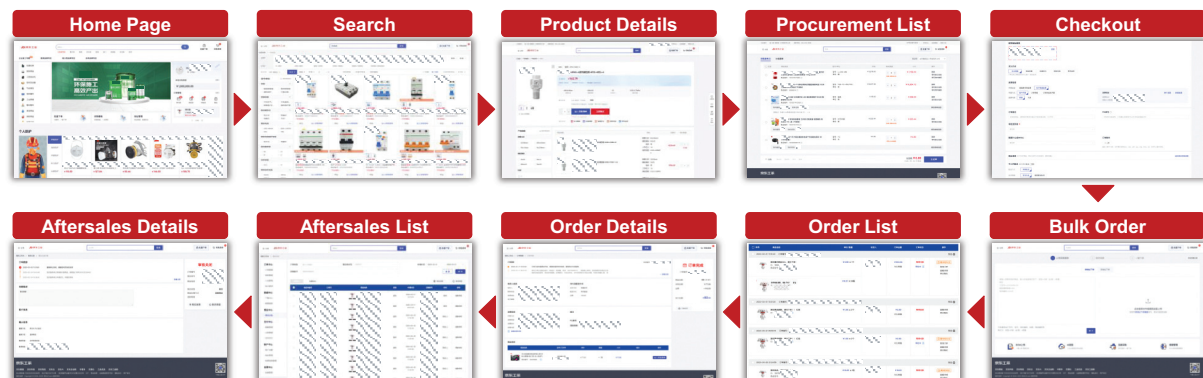
Key Accounts

Key accounts are selected based on criteria such as business characteristics, industry of operation, and scale of operation, typically including state-owned enterprises and listed privately-owned enterprises. For the twelve months ended June 30, 2025, we served approximately 11,100 key accounts.

We generate product revenue and service revenue from key accounts.

- Key accounts mainly procure industrial products directly from us through our digital procurement services, where we procure products from our suppliers and sell them directly to key accounts. Leveraging advanced algorithms, we provide key accounts with individually-tailored product pools that evolve as we continually expand the SKUs offered and, if they could not identify their desired products in the product pools, we help them initiate feedback-driven product sourcing from manufacturers, distributors, and resellers in our ecosystem. We intelligently fulfill key accounts' orders and decide product sources and shipping warehouses, fulfillment timeline, logistics service providers, and last-mile fulfillment facilities. We generate product revenue from sales of industrial products to key accounts.
- We provide consulting, technology and operational and value-added services to key accounts. Depending on the needs of key accounts, we provide different combinations of services. We generate service revenue from provision of these services.

We provide IOP, namely, our proprietary API connections to key accounts which have their own procurement management systems and ISP, namely, cloud-based connections to key accounts which do not have their own procurement management systems. Through IOP and ISP, we provide key accounts with e-commerce solutions and connect them with supplier management solutions and tendering solutions. The diagram below illustrates how key accounts access our designated digital procurement systems:



Small-and-Medium Enterprises and Others

SMEs and others represent a large but underserved market and we have identified significant market potentials for their demand for industrial products. SMEs and others tend to make more frequent, unplanned purchases. They usually have limited source of funds, procurement channels, and bargaining power, and are therefore sensitive to product prices. They also lack effective means for inventory management, partly due to unmet demand for digital services.

SMEs and others can procure industrial products directly from us through our digital procurement services or source industrial products from the third-party merchants on our one-stop marketplace. We generate revenue from product sales when we sell industrial products directly to SMEs and others.

We provide one-stop procurement for SMEs and others mainly through mro.jd.com and vipmro.com. The diagram below illustrates mro.jd.com and vipmro.com accessible to SMEs and others:



We give no preference or priority to key accounts and SMEs and others in terms of availability of products and delivery resources. Availability of products is managed through our cloud inventory approach, where product sources are directly matched with demand. The suppliers showcase their products through our vendor control system. These products are imported to *Gongding* and available to all demand-end participants, no matter whether they are key accounts or SMEs and others. Demand-end participants manage their procurement through our digital procurement systems and can source additional products through *Lingxi*. In addition, demand-end participants can decide product delivery time through our K2 and B-Promise and deliveries will be arranged accordingly. We collaborate with major logistics service providers in China and we believe their logistics services are sufficient to cover the needs of our demand-end participants.

Third-Party Merchants

We allow third-party merchants, including manufacturers, distributors, and resellers, to operate their online stores on our marketplace and offer industrial products to a large base of key accounts, SMEs, and others. Third-party merchants can conveniently manage their online accounts, product information, inquiries, purchase orders, and billing information, among others. We generate performance analyses and reports for merchants based on transaction activities on our marketplace. Third-party merchants are therefore better able to make sales forecasts and informed production, procurement, and sales decisions. We are not involved in the delivery of products sold by third-party merchants on our marketplace.

BUSINESS

For marketplace, we primarily collect commissions and platform usage fees from third-party merchants according to the terms of our contracts with them. Commissions are generally charged at a certain percentage of sales, typically up to 8%.

Advertisers

We provide digital marketing services to advertisers, leveraging AI capabilities and large datasets accumulated from a wide range of business scenarios along the industrial supply chain. Our digital marketing services refer to a set of techniques and strategies used by enterprises and advertisers to promote their products and services online, including advertising placements such as banners, links, logos, and buttons on our websites, and pay for performance marketing services.

We collect advertising service fees, which are based on displays and effective clicks.

PRICING

Product prices in our digital procurement services are contractually determined. Our agreements with key accounts are negotiated on a case-by-case basis, whereas those with SMEs and others are more standardized. Through contractual agreements, we usually set prices for a specific period of time. These prices may be fixed or may be subject to adjustments based on factors such as fluctuation in raw material prices, inflation, among others. Prices of the industrial products are usually determined by our actual costs plus reasonable markups, which may vary depending on market demand, competition, and inventory storage. In addition, we may provide volume discounts to customers who purchase large quantities of products and services, where larger orders tend to receive higher discounts. We may also offer package deals that include multiple products and services at a discounted price. We typically allow a credit period of 30 to 180 days for key accounts. Credit period is generally not available to SMEs and others.

Product prices on our marketplace are determined by third-party merchants. Listing prices significantly deviate from market level can be reported for our review.

We charge service fees as commissions and platform usage fees for marketplace. Commissions are generally charged at a certain percentage of sales and recognized upon completion of sales. Platform usage fees were typically fixed and recognized over each service period before the second quarter of 2023 and are charged at a percentage of sales and recognized upon completion of sales since the second quarter of 2023. Fixed fees could be burdensome to third-party merchants with smaller business scales. This switch allows us to better attract and serve third-party merchants of all sizes, thereby further expanding our product offerings. For digital marketing services, we charge fees based on displays and effective clicks. For project-based technology and other services, service fees are typically contractually determined.

CUSTOMERS

Our customers consist of various participants along the industrial supply chain. For product sales, our customers are mainly key accounts, SMEs, and others. 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, energy, transportation, and other general industries.

BUSINESS

For each year during the Track Record Period, revenue derived from our top five customers in 2022, 2023 and 2024 and for the six months ended June 30, 2025 accounted for 8.1%, 10.5%, 12.1% and 13.3% of our total revenue, respectively.

Standard agreements with key accounts generally provide that, among others, (i) term of contract is typically one to two years; (ii) parties may agree on payment upon product shipment, payment upon product receipt, prepayment, or other payment terms; and (iii) we typically allow a credit period of 30 to 180 days. Standard agreements with SMEs generally provide that, among others, parties may agree on payment upon product shipment, payment upon product receipt, prepayment or other payment terms. Standard agreements with third-party merchants generally provide that, among others, (i) contract is typically long term; (ii) currently, commissions and platform usage fees are payable upon completion of transactions; (iii) third-party merchants shall indemnify us for damages arising out of defective products and services; and (iv) early termination is available upon a 15-day notice period for early termination by us or by third-party merchants subject to our approval.

SUPPLIERS

Our suppliers mainly include manufacturers, distributors, and resellers of industrial products. We connected approximately 158,000 suppliers for the twelve months ended June 30, 2025. 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 each year/period during the Track Record Period, purchases from our top five suppliers in 2022, 2023 and 2024 and for the six months ended June 30, 2025 accounted for 12.5%, 10.7%, 10.2% and 11.6% of our total purchases of products and services, respectively. For each year during the Track Record Period, purchases from our largest supplier, JD Group, accounted for less than 10.0% of our total purchases.

To the best of our knowledge, except JD Group and its associate, all of the other largest suppliers during the Track Record Period were Independent Third Parties as of the Latest Practicable Date. As of the Latest Practicable Date, (i) Mr. Richard Qiangdong Liu, a non-executive Director and chairman of the Board of our Company, held approximately 72.4% 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.

BUSINESS

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 as of the Latest Practicable Date, has any interest in any of our top five suppliers during the Track Record Period.

We believe we have sufficient alternative suppliers for industrial products that can provide us with substitutes of comparable quality and prices. During the Track Record Period, we did not experience any disruption to our business as a result of any significant shortage or delay in supply of the products we sourced from our suppliers.

Standard agreements with our suppliers generally provide that, among others, (i) term of contract is typically one year; (ii) pricing is generally determined based on cost of products, profit margin, and availability of comparable products in the market; (iii) parties may agree on payment within seven days after settlement, or prepayment; (iv) we are entitled to product return for product quality-related reasons; and (v) early termination is available upon a 30-day notice period for early termination by either parties.

For the year ended December 31, 2024, merely approximately 1.0% of the supply-end participants, measured in terms of the number of supply-end participants, were both our suppliers in our digital procurement services and third-party merchants on our marketplace. Supply-end participants' decisions to become our suppliers and/or to register as third-party merchants depend on their own business considerations and needs, as long as all registration requirements are satisfied. Furthermore, demand-end participants freely decide whether to purchase from us or from third-party merchants based on their demand for products and requirements of related services. Our product search algorithms are mainly based on factors such as product quality, product feedback, service quality, price competitiveness, distance for rendering products, and payment methods. Products sold by us are not presented in a more prominent way or given higher rankings just because of the source of products. Competition between us and third-party merchants, if any, has no material impact on our business operations.

INVENTORY MANAGEMENT

Our digital infrastructure enables us to react promptly to customers' demand while achieving high inventory turnover and operating an asset-light model. We cultivate strong relationships with our suppliers and adopt a cloud inventory approach that enables us to coordinate inventory management and ensure reliable supplies of industrial products. A great part of the orders are shipped directly from the supply end to the demand end. Therefore, we do not need to heavily maintain our own inventory.

In addition to our cloud inventory approach, we maintain our own inventory to better fulfill our customers' demand. To ensure efficient inventory management, we continually improve our demand forecasts. We leverage our extensive industry know-how and insights gained from historical transactions, use advanced algorithms that take into account various factors such as product supplies, prices, seasonality, and product popularity, to improve the accuracy of our demand forecasts. This allows us to make informed decisions on the types and quantities of products to procure, timing of procurement, and the warehouses for inventory storage. We also leverage advanced algorithms to efficiently fulfill the varied demand of our customers through our extensive fulfillment network.

Generally, when products are shipped directly from suppliers to customers without being transferred through warehouses operated by us, we tend to obtain title of products and bear inventory risk from the commencement of product shipment till the products are delivered to and accepted by our

BUSINESS

customers. Product damages during the shipping process are borne by us, but we are entitled to seek indemnification from relevant logistics service providers that provide logistics services for us. For product sales where we maintain our own inventory, we generally own the products and bear inventory risk until they are delivered to and accepted by our customers. JD Logistics provides warehousing services for us, and inventory risk at warehouses is covered by property insurance purchased by JD Logistics. Our own insurance policies do not cover potential losses in relation to our inventory holding.

We are able to maintain relatively low inventory levels. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our inventory turnover days attributable to continuing operations were 17.9 days, 13.8 days, 14.8 days and 23.1 days, respectively. For a detailed discussion of product quality management, please refer to “—Risk Management and Internal Control—Product Quality and Safety.”

TECHNOLOGY INFRASTRUCTURE

Technology is our foundation and a key component of our strengths. We have leveraged JD ecosystem’s proprietary technologies and middleware, such as cloud computing and AI, and our proprietary technologies in building our technology infrastructure, developing and upgrading our services. Built on high-quality industrial data and extensive real-world industrial scenarios, we have released JoyIndustrial, a large model specifically designed for industrial applications. This model has transformed our digitalization and intelligization capabilities through AI, driving efficiency improvements. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we spent RMB344.9 million, RMB295.2 million, RMB289.3 million and RMB142.6 million on research and development, respectively. As of June 30, 2025, our R&D team consisted of 324 highly qualified employees with expertise in AI, data analytics, and algorithms, as well as deep knowledge of the industrial sector. Our R&D employees team up with our business operations teams to make sure they incorporate business and industry insights into R&D activities. In this way, the development of our technologies can always respond to, or even anticipate, the needs of the participants along our industrial supply chain. Key capabilities and benefits of our technology infrastructure include:

Dealing with high concurrency. Leveraging JD ecosystem’s proprietary technologies, our technology infrastructure is well-established to allow multiple participants to conduct multiple transactions within our system with low latency and high throughput. We have been successfully in assuring multiple participants to access data at the same time without causing inconsistencies.

System reliability. We ensure system reliability and security through our proprietary data security system. We regularly conduct full data-link pressure tests and system safety drills to ensure that our system is well-protected. We have set up safety procedures and warning systems to ensure that we can quickly and timely detect and solve online problems to minimize any data loss.

Distributed search algorithms. We apply distributed search algorithms to process and analyze massive data and requests using a network of processors while distributing the workload among them. The distributed search algorithms run simultaneously on independent and interconnected processors. The outputs generated by each processor are then merged into one common solution. In this way, we largely improve our performance efficiency. These processors also serve as back-ups for each other, thereby reducing system failure risk.

Modularization. We develop our services and connections through modularization to deliver a future-proof technology infrastructure that is stable and scalable. We extract the different capabilities

BUSINESS

of our technology infrastructure and have built numerous function modules. These modules allow services and connections to be published independently of their logic implementation. For example, we create and upgrade API connections separately from the underlying logic implementation to allow such API connections to be independently designed and governed. The underlying logic implementation can therefore evolve without interfering the services provided to our customers. Moreover, we can recouple modules to quickly create infrastructure that suits different needs in different use cases. Most of our modules support multiple different interfaces and service formats, such as SaaS and APIs, so that we can swiftly apply our service capabilities to different customers' working environments.

SALES AND MARKETING

Our sales force is purpose-built for our customers, especially key accounts. We made efforts to retain existing key accounts and increase their spending, by continually enhancing the accuracy and efficiency of our services and solutions, helping them reduce costs and enhance efficiency. We conduct management visits at our customers' plant sites and invite customers for on-site visits to strengthen customer relationships. We also actively participate in industry summits, exhibitions, and conferences to showcase our enterprise business capabilities and cultivate potential business opportunities. In addition, we host and participate in online marketing campaigns and promotion events, including virtual events, content marketing campaigns, and webinars. Moreover, leveraging JD Group's reputation and customer pool, we are able to further cultivate a large base of loyal customers and explore synergic effects.

Our sales force operates with a small group of 938 sales personnel, as of June 30, 2025, with deep knowledge in the industrial sector and experience in interpersonal communication and business negotiation. For the year ended December 31, 2024, our selling and marketing expenses as a percentage of revenue was 4.1% and our average revenue contribution per sales personnel was RMB25.0 million, both of which are industry-leading in terms of sales and marketing efficiency, according to CIC.

COMPETITION

The industrial supply chain technology and service industry in China is growing rapidly with concentration rate being relatively low. Our current and potential competitors include supply chain technology and service providers and MRO procurement service providers in China. We are the only supply chain technology and service provider capable of offering end-to-end integrated technologies and services using a comprehensive model.

We anticipate that the industrial supply chain technology and service market will continually evolve and experience rapid technological change, evolving industry standards, shifting customer requirements, and frequent innovation. We must continually innovate to remain competitive. We believe that the principal competitive factors in our industry are:

- brand recognition and reputation;
- ability to provide comprehensive and effective services and solutions to increase supply chain reliability, reduce costs, enhance efficiency, and ensure compliance;
- broadness of product offerings for customers;
- product quality and assortment;

BUSINESS

- technology and digitalization capabilities;
- fulfillment capabilities;
- customer service; and
- pricing.

In addition, new technologies may lead to increasing competition in the industrial supply chain technology and service industry. New competitive business models may appear.

We believe that we are well-positioned to effectively compete on the basis of the factors listed above and to adapt to the evolving market competition. However, some of our current or future competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases or greater financial, technical or marketing resources than we do.

Furthermore, as our business continues to grow rapidly, we face significant competition for highly skilled personnel. The success of our growth strategy depends in part on our ability to retain existing personnel and attract additional highly skilled employees.

SEASONALITY

We experience seasonality in our business, primarily because of seasonal fluctuations in customer procurement demand. Given seasonal concentration of industrial activities and Chinese industrial enterprises' general procurement pattern, our customers' demand in the procurement of industrial products is typically the highest in the fourth quarter of each calendar year and the lowest in the first quarter. We expect the impact of seasonality on our business to remain in the future. However, due to our limited operating history, the seasonal trends that we have experienced in the past may not apply to, or be indicative of, our future operating results.

DATA PRIVACY AND PROTECTION

We are committed to protecting information and privacy of our customers and the suppliers, third-party merchants, and other participants along our industrial supply chain. Our system collects and processes customer data and personal data, such as the name, phone number, order information, and shipping address of individual customers, and the name, and tax invoice information of enterprise customers, where appropriate consent has been obtained from the relevant customers and individuals. We have developed a company-wide policy on data security to preserve individual personal information and privacy. We strictly comply with laws and regulations and do not distribute or sell any personal data for any purpose. We encrypt data in network transmissions and in backend storage to ensure confidentiality.

Our network configuration is secured at multiple layers to protect our databases from unauthorized access. We use sophisticated security protocols for communications among our mobile app, WAP website and plug-ins. To prevent unauthorized access to our system, we utilize a firewall system and maintain a designated zone to separate our external-facing services from our internal systems.

To minimize the risk of data loss, we conduct regular data backup and data recovery tests. Our database can only be accessed by certain designated and authorized personnel after assessment and approval procedures, whose actions are recorded and monitored. We have data disaster recovery procedures in place and are in the process of establishing our active data centers.

BUSINESS

We have designed strict data governance policies in relation to data protection, collection, usage, storage, retention, and transmission, including (i) establishing a data security management policy and stipulating corresponding management and technical measures for the entire process of data processing; (ii) establishing a personal information security management policy, which sets compliance requirements for collection, usage, storage, retention and transmission of customers' data to meet relevant regulatory requirement; and (iii) setting up a data security group, which is responsible for formulating data and information security strategies, and supervising the implementation of the data security and information security strategies.

Our PRC Legal Adviser is of the view that the current data protection policies and privacy protection practice satisfy the requirements of PRC laws and regulations with all material respects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Since our founding, we have been highly committed to sustainable corporate responsibility projects, both through charitable endeavors and by extending the benefits of our ecosystem to the society at large. We collaborate with JD Group in carrying out ESG activities. JD Group considers the relevant laws, regulations and standards, such as the ESG Reporting Guide provided in the Listing Rules and Sustainable Development Goals promulgated by the United Nations, to identify material ESG issues and develop ESG strategies. Under the supervision of JD Group's board of directors, the ESG governance framework comprises JD Group's ESG Committee, its Strategy Executive Committee (SEC), its ESG working group, and our ESG representatives. The ESG Committee assumes the responsibilities to (i) oversee ESG issues, such as environmental sustainability, business ethics, product safety and service quality, employee training and development, diversity and inclusion, and community support; (ii) assist the board of directors to identify and evaluate ESG risks and opportunities; and (iii) guide and review ESG strategies and plans, ESG activities, and material ESG disclosure and reports. The SEC is responsible for specifying ESG strategies and priorities and reports to the ESG Committee on a regular basis. The ESG working group coordinates with our ESG representatives, implements and promotes ESG action plans, and reports to the SEC on a regular basis.

Our ESG representatives, leveraging their understanding of business operations, implement and promote the overall ESG activities of JD Group; they report to the ESG working group on a regular basis. To ensure compliance with applicable laws and regulations, from time to time, our human resources department would, if necessary and after consultation with our legal advisors, adjust our human resources policies to accommodate material changes to relevant labor and safety laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental laws or regulations.

Identification, Assessment and Mitigation of Our ESG Risks

We have identified the following ESG risks which we consider material and may have an impact on our business, strategies, or financial performance:

- production emissions and energy consumption by the suppliers;
- sustainability of industrial products procured by us;
- waste of industrial products at the demand end;

BUSINESS

- waste generation and sustainability of packaging materials during fulfillment and warehousing; and
- emissions and energy consumption from our overall business operations.

We believe we have been effectively addressing these ESG risks. In particular:

- we promote energy conservation and emission reduction along the supply chain through our own business operations, such as considering energy conservation and emission reduction in our supplier selection process, collaborating with suppliers to set joint sustainability goals, and providing incentives to suppliers that achieve significant progress in these areas;
- we actively manage our supplier channels and quality, including managing product and brand qualifications and monitoring service performance. If a product does not meet the national environmental protection requirements, we may coordinate with third-party institutions to monitor and issue an evaluation report to recall and replace such product; and
- we adopt a cloud inventory approach to reduce unnecessary product shipment, thereby reducing energy consumption and carbon emission in relation to product shipment and warehouse distribution. Please refer to “—Carbon Neutral and Energy Saving” for a detailed discussion. Our Taipu helps the demand end to better predict and manage their procurement and avoid unnecessary inventory build-up, thereby reducing waste of industrial products.

We also obtained Leadership in Energy and Environment Design (LEED) certificate for our office facilities.

Key Performance Indicators

The following table sets forth our key performance indicators for the years indicated:

	Indicator	Unit	2023	2024
Greenhouse gas (GHG) emissions	Total GHG emissions (Scope 1)	tonnes of carbon dioxide equivalent	13.29	0.41
	Total GHG emissions (Scope 2)	tonnes of carbon dioxide equivalent	1,480.54	2,025.80
Use of resources	Purchased power	kilowatt hours	2,064,494.79	2,797,640.95
	Total water consumption	tonnes	18,756.62	26,071.68

Note:

This table does not include 2022 information because the relevant data from 2022 required for calculations of GHG emissions and purchased power using the same methodology applied to the 2023 and 2024 information are unavailable, as a different scope of raw data was recorded back in 2022.

Our GHG emissions, purchased power and water consumption generally increased from 2023 to 2024, mainly as a result of our continued business expansion. Going forward, by implementing strategies to improve the energy efficiency and optimize the resource management practices in our business, by 2030, we intend to reduce GHG emissions and use of resources by 20% compared with their respective levels in 2024.

BUSINESS

Cost Reduction, Efficiency Enhancement, and Procurement Transparency

Our strong commitment to ESG principles is embedded in our business operations. We bring digitalization to the industry, integrating digital technologies and services across various aspects of the business operations of the participants along our industrial supply chain. We help streamline and automate their processes and help them save time, reduce errors, control costs, and improve overall productivity. Our digital infrastructure provides real-time data and insights, allowing for better decision-making and improved performance. Digitalization helps us scale and grow more easily, by providing a solid foundation for expansion and the ability to quickly adapt to changing market conditions.

We continually promote technology innovation and connect with industrial demand, effectively driving the digital, low-carbon transformation of the upstream and downstream partners throughout the industrial supply chain. For example, in our efforts to promote technology innovation, we launched a series of new-generation facilities for industrial supply chain management, such as lightweight front warehouses, Jinggong Cabinets, front warehouses, and intelligent mobile warehouses. We had deployed facilities nationwide to address the challenges faced by enterprise customers.

Carbon Neutral and Energy Saving

We help our customers take steps to reduce their carbon emissions by improving energy efficiency, using renewable energy sources, and implementing energy-saving technologies.

In addition, we implement a business model to directly connect the supply end and the demand end, optimize fulfillment routes, and reduce unnecessary product shipment caused by redundant distribution layers. For example, a great part of the orders are delivered directly from the supply end to the demand end, reducing around 40% of carbon emissions in shipping industrial products. In this way we help the industry as a whole reduce fuel consumption and transportation emissions.

Moreover, we organize suppliers to participate in the training so that they can have a better understanding of carbon neutrality. We also conduct carbon emission data collection and model construction to monitor the suppliers' progress in achieving carbon emission control goals.

Diversity Enrichment

We value gender equality and diversity. We are committed to broadening the impact of female employees, and empowering them to shine in the industrial sector. Our female employees benefit from our women-empowerment activities. We also actively support women's economic empowerment and women's leadership promotion.

Talent Cultivation

We are committed to generating employment opportunities and fostering a growth-oriented workplace environment. We provide career development opportunities for our employees. In 2024, our organizational health rate was as high as approximately 4.45/5. In the same year, we organized over 1,900 training courses, with our full-time employee receiving approximately 60 hours of training on average.

BUSINESS

INTELLECTUAL PROPERTY

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success, and we rely on copyright, trademark and patent law and confidentiality, invention assignment and non-compete agreements with our employees and others to protect our proprietary rights. As of the Latest Practicable Date, we had (i) 18 issued patents; (ii) over 900 granted trademarks; (iii) over 350 granted computer software copyrights; and (iv) over 200 granted domain names.

During the Track Record Period, we had not been subject to any material intellectual property infringement claims by third parties or suffered any material intellectual infringement by third parties.

We have been granted exclusive and non-exclusive rights by JD Group to use in our operations certain copyrighted materials, trademarks and patents that are registered or for which registration applications have been filed with applicable authorities.

Intellectual property rights are important to the success of our business. We share JD Group's comprehensive intellectual property protection policies and related internal control system to ensure our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties. Highlights of our intellectual property protection policies and related internal control system include the following:

- We perform searches on related intellectual property rights to make sure our intellectual property rights will not be challenged.
- We file trademarks and patents with the relevant authorities to protect our brand image and technological innovations. We regularly monitor third-party actions to protect our IP and take appropriate measures against any infringement.
- We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our business partners. We have entered into confidentiality agreements and non-competition agreements with our senior management and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work.
- We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems.

BUSINESS

EMPLOYEES

As of June 30, 2025, we had a total of 2,202 full-time employees in China. The following table sets forth the numbers of our employees categorized by function as of June 30, 2025:

<u>Function</u>	<u>Number of Employees</u>
Supply Chain	816
Research and Development	324
General and Administrative	124
Sales and Marketing	938
Total	<u>2,202</u>

We always strive to provide employees with comprehensive social benefits, a diverse work environment and a wide range of career development opportunities. Furthermore, we are committed to providing a safe and healthy workplace, which is backed by strict policies, robust trainings and safety recognition awards, along with continued investments in technology. We are committed to the education, recruitment, development and advancement of our personnel. Additionally, we place special emphasis on the building of a talent pipeline and cohesive company culture. We have established a comprehensive system for employee training and development, covering topics such as leadership, general competencies, professional competencies, and others. Our comprehensive training program covers subjects such as corporate culture, employee rights and responsibilities, team building, professional behavior, job performance, management skills, leadership, and administrative decision-making.

As required by laws and regulations in China, 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.

We are committed to establishing a competitive and fair remuneration. In order to effectively motivate our staff, we continually refine our remuneration and incentive policies through market research. We conduct performance evaluation for our employees quarterly to provide feedback on their performance. Compensation for our staff typically consists of base salary and a performance-based bonus.

We typically enter into standard employment agreements and confidentiality agreements with our senior management and core personnel. These contracts include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for two years after termination of his or her employment. We maintain a good working relationship with our employees, and we have not experienced any material labor disputes.

PROPERTIES

Our corporate headquarters is located in Beijing. As of the Latest Practicable Date, we leased or otherwise had the right to use properties in the PRC with an aggregate gross floor area of over 4,765 square meters, which were primarily used for office functions. These properties in the PRC are primarily used for office purposes. The relevant lease agreements will expire between November 2025

BUSINESS

and June 2030 and we will negotiate lease renewal upon their expiry as appropriate. We believe that our existing facilities are generally adequate to meet our current needs.

As of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

INSURANCE

We consider our insurance coverage to be adequate and in accordance with the commercial practices in the industries in which we operate. We provide social security insurance, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees. We do not maintain business interruption insurance or key-man insurance. Our management will evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented various policies and procedures to ensure rigorous risk management and internal control, and we are dedicated to continually improving these policies and procedures.

Our risk management and internal control policies and procedures cover various aspects of our business operations, such as product safety and operational and regulatory risk management.

Product Quality and Safety

We have put in place comprehensive product quality and safety policies and related internal control system to (i) maintain and monitor product safety and quality for the products sold through our

BUSINESS

digital procurement services and our marketplace, and (ii) protect our company against claims for unauthorized or contaminated products. Highlights of our product quality and safety policies and related internal control system include the following:

- ***Product safety and quality.*** We select manufacturers, distributors, and resellers based on qualification, brand, past experience with e-commerce, reliability and volume. We perform background checks on manufacturers, distributors, and resellers as well as the products they provide before we enter into any agreement. We examine their business licenses and the relevant licenses and certificates for their products before establishing business collaboration with them. We evaluate their brand recognition and make inquiries about the market acceptance of their products among players in the same industry. We conduct product sampling. We also selectively conduct on-site visits to assess and verify their location, scale of business, production capacity, property and equipment, human resources, research and development capabilities, quality control system and fulfillment capability. We require a majority of manufacturers, distributors, and resellers to place an upfront security deposit with us for quality control purposes, typically up to RMB150,000. In case such deposit is insufficient to cover product liabilities, we may deduct from payment of product sales or seek indemnification from these manufacturers, distributors, and resellers. We have also put in place stringent rules governing the operations of manufacturers, distributors, and resellers to ensure that the industrial products provided comply with applicable PRC laws and regulations, as well as our standards for product authenticity and reliability. We conduct trainings to improve manufacturers, distributors, and resellers' customer service capabilities. We also conduct regular reviews on the performance of manufacturers, distributors, and resellers. We have established a team dedicated to the management of manufacturers, distributors, and resellers with respect to product quality, sales, logistics, aftersales customer services, and satisfaction rate, among others. We monitor on a daily basis data relating to logistics and customer services, and communicate with the relevant manufacturers, distributors, and resellers when issues arise. According to our standard agreements with suppliers, we have the right to return any subquality products and impose a penalty on the suppliers. Manufacturers, distributors, and resellers are also subject to indemnities if the quality of their products causes any damage to us, our customers or third parties. According to our standard agreements with third-party merchants on our marketplace, we have the right to unilaterally terminate our relationships with third-party merchants on our marketplace that sell smuggled, counterfeit or otherwise sub-quality products. Third-party merchants on our marketplace are also responsible for monetary and reputational damages incurred to us caused by the quality of the products they sell. We are not ultimately liable for product defects for products sold by us, as generally our suppliers and product manufacturers assume such liability. We are not ultimately liable for product defects for products sold by third-party merchants.
- ***Combating unauthorized or contaminated products.*** We require our suppliers to represent that they have obtained the required IP licenses to produce and provide the products that they supply to us and indemnify us against any IP infringement litigations relating to the products that they supply to us. We also have the right to return any damaged or contaminated products and be compensated if caused by our suppliers. We require third-party merchants on our marketplace to represent in the agreements that we enter with them that all the products they sell are legally authorized and procured. Other measures to prevent, detect and reduce the occurrence of unauthorized or contaminated

products that we have implemented include: (i) enabling customers, manufacturers, distributors, and resellers to report suspicious transactions on unauthorized products; (ii) requiring the use of manufacturers, distributors, and resellers' real identities when opening accounts; and (iii) analyzing transaction patterns to identify anomalies.

- ***Shipping, return, refund, and exchange.*** Our standard agreements with logistics service providers generally provide that, among others, (i) term of contract is typically one year; (ii) pricing is generally based on distance and frequency of product transportation services provided, subject to adjustment based on fluctuation in fuel prices; (iii) payment period is typically monthly; and (iv) early termination is available upon a one-month notice period for early termination by us. For products sold by us to our customers in our digital procurement services, we provide return, exchange, or repair services for customers who receive products with quality issues or products that deviate from agreed description, and bear the actual expenses incurred in the course of return, exchange, or repair of such products. We also guarantee to deliver products timely to our customers. We are responsible for products that are not delivered on time or are delivered in a damaged state. If we are unable to deliver on time due to circumstances such as inventory shortage, extreme weather conditions, large-scale promotion seasons, and remote areas, we are required to promptly notify our customers. For products that are shipped but we expect delay in delivery, we negotiate with our customers to agree on an updated delivery time. For products that are not shipped, we assist our customers in product return and exchange. In the event of a significant delay in delivery, we may offer compensation to our customers in accordance with the applicable terms in the contracts. Additionally, we provide product return or exchange for damaged products. We are entitled to seek indemnification in accordance with the applicable terms in the contracts, (i) from logistics service providers for delivery delays caused by them or product damage in the shipping process, and/or (ii) from our suppliers if delivery delays are due to their delays in shipping or unavailability of products, or if product damage already exists before the shipping process. With respect to our suppliers, depending on our business relationship and negotiation with them, we have different tiers of policies for product return, exchange, and repair, namely, our suppliers are required to accept our request (i) with or without cause, (ii) for products with quality issues or seven-day return without cause, or (iii) for products with quality issues only. Our suppliers should inspect and collect the products for return, exchange, or repair. Unless agreed otherwise, our suppliers are required to bear the actual expenses incurred in the course of return, exchange, or repair. Our suppliers are required to also bear any storage and other related expenses if they fail to collect the products in time.
- ***Product safety during storage and delivery.*** We rely on warehousing and logistics service providers to ensure product safety during storage and delivery. We ensure that proper labeling and identification are in place so that industrial products are clearly identified with appropriate information such as product name and handling instructions, helping us prevent mix-ups during storage and delivery. Regular inspections of the storage and delivery areas are conducted to ensure that products are stored appropriately and are compliant with safety regulations. This includes checking for proper storage conditions, such as temperature, humidity, and ventilation. Only trained and authorized personnel are allowed to handle industrial products during storage and delivery.

BUSINESS

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material product recall and return, customer complaints and disputes, or product quality and safety issues, including the products provided by third-party merchants.

Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures, or external events. We have established a series of internal procedures to manage such risk.

In particular, we pay close attention to risk management relating to our IT, as sufficient maintenance, storage and protection of data and other related information is critical to our success. Sensitive customer information in our business operations is stored in the internet data center established and owned by us. Such information includes, but is not limited to, personal information (such as individual name, cell phone number, delivery address, age and gender), consultation record, order record and activity log. We keep all sensitive customer information, such as order record and consultation record, in our database, since inception and maintain such information for an indefinite period of time, unless deletion of such data is required by relevant laws and regulations, requested by the relevant customers or pursuant to conditions as specified under our terms of service with our customers.

In general, according to our terms of service and except as required by relevant laws and regulations, by signing up such terms, customers acknowledge that they permit and authorize our use of the information they provide us and the information generated in the course of our services. The customers also acknowledge under the terms of service that they authorize our business partners to use their information that is necessary for our business partners to provide services to them or to improve their service quality. We give the relevant business partners the necessary information only within the authorized scope. For instance, for the third-party logistics service providers we engage, we only provide them with limited information (names and contacts) that is necessary for their rendering services to our customers.

To ensure the security of sensitive information, we and our business partners owe a duty of confidentiality to the customers with respect to such information. We have adopted robust encryption algorithms and implemented stringent rules for data extraction and transmission to ensure the confidentiality of our customers. We have implemented relevant internal procedures and controls to ensure that data is protected and that leakage and loss of such data is avoided. We have formulated policies for data administration which set out the overall responsibilities and procedures for our staff to adhere to. We have promulgated internal instructions setting out specific procedures regarding the handling of information containing customer data, and intend to establish ethical standards in relation to data protection. Violation of the relevant requirements will result in disciplinary action. The degree of access to and control of the information is determined by reference to the roles and seniority of our staff who is granted such access or control. For activities requiring higher levels of confidentiality, multiple staff are required to be present. We have also implemented mechanisms, such as responsibility rotation and segregation of duties, among our data administration staff in daily operations. In the event of an information security breach, we perform investigations and perform damage control. We also hold trainings on data protection for our employees on a regular basis.

Our system keeps a daily log of data extraction and transmission activities and status of authorization of data extraction and transmission for review. We also have a dedicated data security

BUSINESS

team that is responsible for (i) monitoring suspicious data extraction and transmission activities or violations of our internal rules relating to data protection, (ii) advising on data protection issues identified in the course of monitoring and reporting to company management for attention, and (iii) enhancing our data protection system in accordance with changes in regulatory requirements and technological developments. As and when required by relevant laws and regulations, we intend to consult an external ethics advisor in relation to data protection.

We also have a data back-up system through which data is encrypted and stored on servers in different locations regularly to reduce the risk of data loss. In addition, we perform back-up recovery tests regularly to examine the status of the back-up system. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of customer data.

Human Resources Risk Management

We provide regular and specialized training tailored to (i) the needs of our employees in different departments, and (ii) our anti-bribery and anti-corruption policy. We have a training center where we regularly organize internal training sessions conducted by senior employees or outside consultants on topics of interest that employees can vote on. The training center schedules regular online and classroom trainings, reviews the content of the trainings, follows up with employees to evaluate the impact of such training and rewards lecturers for positive feedback. Through these training sessions, we ensure that our staff's skill sets and knowledge level of our anti-bribery and anticorruption policy remain up-to-date, enabling them to better comply with applicable laws and regulations in the course of exploring business.

We have in place an employee handbook and a code of conduct which are distributed to all our employees. The handbook contains internal rules and guidelines regarding work ethics, fraud prevention mechanisms, negligence and corruption. We provide employees with regular training, as well as resources to explain the guidelines contained in the employee handbook.

Regulatory Compliance and Legal Risk Management

Compliance risk refers to the risk of being subject to legal and regulatory sanctions, and the risk of major financial and reputational losses as a result of our failure to comply with relevant laws, regulations, rules and guidelines. Meanwhile, legal risk refers to the risk of legal liability arising from violations of laws and regulations, breaches of contracts, infringements on the legal rights of others or otherwise in connection with any contract or business activity in which we are involved.

In order to manage our compliance and legal risk exposures effectively, we have designed and adopted strict internal procedures to ensure the compliance of our business operations with relevant rules and regulations. In particular, as we and our employees deal with a variety of third parties in our operations, we have implemented internal procedures with respect to anti-bribery, anti-corruption and conflict of interest matters. First, as part of our risk management and internal control measures, we have adopted a series of internal regulations against corrupt and fraudulent activities, which include measures against receiving bribes and kickbacks, and misappropriation of company assets. We have anti-corruption and anti-bribery clauses in a majority of our business contracts, and we require our suppliers and other third parties who cooperate with us to comply with relevant laws and regulations. Second, we require every department to perform self-check on any violations in key processes and

BUSINESS

responsibilities on a regular basis, and report to the internal control department any violation or trace of possible risk events. Third, employees and parties outside our Company are encouraged to report suspicious behaviors via phone, email, letters and other means, and we would offer rewards in return for valuable information. Fourth, our internal control department carefully evaluates risk events and conducts investigations when necessary. Fifth, we have implemented clear and strict policies and guidelines that prohibit the acceptance of gifts, hospitality and other offers by interested third parties. Lastly, our internal control department conducts internal control inspections regularly. Employees are required to acknowledge and accept JD Group's Code of Business Conduct and Ethics, which applies to us, that lists in detail relevant policies and regulations, including but not limited to clear definitions of bribery, corruption and interested parties. We impose on directors, senior management and employees penalties, and require compensation, for any losses incurred as a result of any activities concerning bribery and corruption.

We continually improve our internal policies according to changes in laws, regulations and industry standards, and update internal templates for legal documents. We also undertake compliance management over various aspects of our operations and employee activities, and have established an accountability system in respect of employees' violations of laws, regulations and internal policies. In addition, we continually review the implementation of our risk management policies and measures to ensure our policies and implementation are effective and sufficient.

Board Oversight

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Listing, we have established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee comprises three members, namely Mr. Hanhui Sam Sun, Professor Xin Tang, and Ms. Po Fong Nancy Ku, with Mr. Hanhui Sam Sun (being our independent non-executive Director with the appropriate professional qualifications) as chair of the audit committee. For the professional qualifications and experiences of the members of our audit committee, see the section headed "Directors and Senior Management" in this document.

LICENSES, APPROVALS AND PERMITS

In the opinion of Shihui Partners, our PRC Legal Adviser, we had obtained material licenses, approvals and permits during the Track Record Period, including the Value-Added Telecommunication License. In the opinion of Shihui Partners, our PRC Legal Adviser, all of our major subsidiaries complied in all material aspects with relevant laws and regulations during the Track Record Period.

We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations. Our PRC Legal Adviser has advised us that there is no material legal impediment to renewing such permits or licenses.

BUSINESS

The following table sets forth a list of our material licenses, approvals and permits:

No.	Holder	Name of Licenses, Approvals and Permits	Expiration Date
1.	Beijing JINGDONG Boyan Information Technology Co., Ltd. (北京京東博延信息技術有限公司)	Value-Added Telecommunication License (增值電信業務經營許可證) ⁽¹⁾	July 20, 2027
2.	Suzhou JINGDONG Gongpinhui Information Technology Co., Ltd. (蘇州京東工品匯信息科技有限公司)	Value-Added Telecommunication License (增值電信業務經營許可證) ⁽²⁾	April 8, 2029
3.	Beijing JINGDONG Industrial Products Trading Co., Ltd. (北京京東工業品貿易有限公司)	Value-Added Telecommunication License (增值電信業務經營許可證) ⁽³⁾	January 23, 2029

Notes:

- (1) For internet-based information services, online data processing and transaction processing (operating e-commerce only);
(2) For internet-based information services;
(3) For online data processing and transaction processing (operating e-commerce only).

AWARDS AND RECOGNITION

During and prior to the Track Record Period, we received recognition for the quality and popularity of our products and services. Some of the significant awards and recognition we or our senior management have received are set forth below.

Award / Recognition	Award Year	Awarding Institution / Authority	Entity / Person Being Awarded
2024 Qihui Award: Digital Transformation Innovative Company (啟慧榜 • 2024年度數字轉型創新案例)	2024	The Economic Observer (經濟觀察網)	JINGDONG Industrials, Inc.
Manufacturing Outstanding Contribution Award in the High-Quality Development Annual Summit of 2023 (2023高質量發展年度峰會製造突出貢獻獎)	2023	Guangzhou Daily Group (廣州日報報業集團)	JINGDONG Industrials, Inc.
2023 Qianfeng Award Digital Supply Chain Company of the Year (2023千峰獎數字供應鏈年度企業)	2023	ebrun (億邦)	JINGDONG Industrials, Inc.
Sinochem Strategic Partner of the Year (中化藍天年度戰略合作夥伴獎項)	2023	Sinochem (中化藍天)	JINGDONG Industrials, Inc.
Global Unicorns Index 2023 (2023全球獨角獸榜)	2023	Hurun (胡潤研究院)	JINGDONG Industrials, Inc.
Featured Professional Industrial Internet Platforms (特色專業型工業互聯網平台)	2021	Ministry of Industry and Information Technology (工信部)	JINGDONG Industrials, Inc.
Global Unicorns Index 2021 (2021全球獨角獸榜)	2021	Hurun (胡潤研究院)	JINGDONG Industrials, Inc.
Procurement Success Awards 2021 (2021亞太卓越採購獎)	2021	Procurement Success Summit (亞太卓越採購峰會)	JINGDONG Industrials, Inc.
Top 10 Service Award for Central Enterprise Central Procurement Suppliers (中央企業集採供應商十佳服務獎)	2021	Industry Supply China Committee of China Chamber of International Commerce (中國國際商會產業供應鏈委員會)	JINGDONG Industrials, Inc.

CONTRACTUAL ARRANGEMENTS

PRC REGULATORY BACKGROUND

Overview

Foreign investment activities in the PRC are mainly governed by the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Edition) 《外商投資准入特別管理措施（負面清單）（2024年版）》 (the “**Negative List**”) and the Catalog of Industries for Encouraging Foreign Investment (2022 Version) 《鼓勵外商投資產業目錄》 (the “**Encouraging Catalog**”), which were promulgated and are amended from time to time jointly by the MOFCOM and the NDRC. The Negative List and the Encouraging Catalog divide industries into four categories in terms of foreign investment, namely, “encouraged”, “restricted”, “prohibited” and “permitted” (the last category of which includes all industries not listed under the “encouraged”, “restricted” and “prohibited” categories). As advised by our PRC Legal Adviser, a summary of our business/operation that is subject to foreign investment restriction in accordance with the Negative List and other applicable PRC laws (the “**Relevant Businesses**”) is set out below:

Categories	Our business/operation
“Restricted”	
Value-added telecommunication services business	The principal business of Jiangsu Jucheng Space and its subsidiaries, Beijing JINGDONG Boyan Information Technology Co., Ltd. (北京京東博延信息技術有限公司) (“Beijing Boyan”) and Suzhou JINGDONG Gongpinhui Information Technology Co., Ltd. (蘇州京東工品匯信息科技有限公同) (“Suzhou Gongpinhui”) involves or will involve (as applicable) provision of Internet information services through mobile apps and websites, which fall within the scope of “value-added telecommunication service” under the Telecommunications Regulations (《電信條例》). Suzhou Gongpinhui operates the Company’s digital procurement platforms including vipmro.com (京東工品匯). Beijing Boyan also plans to engage in operation of other digital procurement platforms. The Company’s digital procurement platforms provide various value-added platform services, including but not limited to product information display, transaction communication, and order placement. The services provided by Suzhou Gongpinhui or to be provided by Beijing Boyan fall within the scope of provision of Internet information services, and thus the value-added telecommunications business operating licenses for provision of Internet information services are required. According to the applicable PRC laws, foreign investors are not allowed to hold more than 50% equity interests in any enterprise conducting value-added telecommunication business (excluding e-commerce, domestic multiparty communication services, store-and-forward services and call center services). Beijing Boyan and Suzhou Gongpinhui each holds a value-added telecommunications business operating license for provision of Internet information services (the “ICP License”).

For further details of the limitations on foreign ownership in PRC companies conducting the aforementioned business under PRC laws and regulations, please see the section headed “Regulations.”

Requirements under the FITE Regulations

Foreign investment in a company providing value-added telecommunication services, including Internet information provision services, is subject to the Provisions on the Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》), or the FITE Regulations, which were promulgated by the State Council on December 11, 2001, and subsequently amended on

CONTRACTUAL ARRANGEMENTS

September 10, 2008, February 6, 2016 and recently on March 29, 2022 by the Decision on Amending and Abolishing Some Administrative Regulations (《關於修改和廢止部分行政法規的決定》) issued by the State Council (the “**Order No. 752**”). Following the issue of Order No. 752, the qualification requirements (the “**Qualification Requirements**”) previously set out in the FITE Regulations which the main foreign investor must satisfy for investing in a PRC value-added telecommunication business was removed with effect from May 1, 2022. Nevertheless, under the amended FITE Regulations, whilst foreign investors are able to invest in entities holding an ICP License (holding up to 50% equity interest and not more), whether an entity held by foreign shareholders may hold an ICP License is still subject to the examination of substance and merits by relevant authority.

The respective PRC legal advisers of the Company and of the Joint Sponsors conducted a verbal consultation with the Industry and Planning Research Institute of China Academy of Information and Communications Technology (“**CAICT**”) on March 13, 2023, during which the officer of the Industry and Planning Research Institute of CAICT confirmed that (i) CAICT, is responsible for accepting applications and preliminary examination for value-added telecommunication business license and the Institute of Industry and Planning of CAICT provides research support for MIIT on industry policy and development plan, and consultation services relating to the interpretation of rules and regulations governing value-added telecommunications services, including, among other things, consultation on the issue of the value-added telecommunication business licenses and foreign investment policy of the value-added telecommunication business licenses; (ii) although the Qualification Requirements are removed, the application for obtaining ICP License through foreign investment company is still subject to substantive examination; there are substantial uncertainties as to whether ICP Licenses can be obtained through any foreign investment company by us; (iii) entering into the Contractual Arrangements is not subject to approval or regulation of MIIT. As advised by the PRC Legal Adviser, the CAICT is a competent authority and the officer of the CAICT who attended the consultations was a competent person to provide the confirmation sought, considering that (i) the CAICT is directly under the supervision of MIIT to which CAICT provides regulatory support services, including accepting applications for the telecommunications business license and other relevant business as entrusted by MIIT, (ii) the Institute of Industry and Planning of CAICT provides research support for MIIT on industry policy and development plan, and consultation services relating to the interpretation of rules and regulations governing value-added telecommunications services, including, among other things, consultation on the issue of the value-added telecommunication business licenses and foreign investment policy of the value-added telecommunication business licenses, and (iii) the officer of the CAICT who attended the consultations is a senior officer of the Institute of Industry and Planning of CAICT who participates in the aforementioned duties of the Institute.

On the above basis and as advised by our PRC Legal Adviser, as of the Latest Practicable Date, (i) there still remain uncertainties with respect to specific requirements that foreign investment company may need to satisfy for obtaining ICP license; and (ii) the removal of the Qualification Requirements would not invalidate our ICP licenses or require us to adjust the Contractual Arrangements under applicable PRC laws.

In light of the verbal consultation during the above CAICT interview and our PRC Legal Adviser’s opinion, we currently are practically unable to obtain ICP Licenses though any foreign investment company (even if such foreign investors hold less than 50% of equity interest in the enterprises).

CONTRACTUAL ARRANGEMENTS

We will communicate with the relevant authorities following the Listing to keep abreast of any regulatory developments and adjust the Contractual Arrangements to satisfy the “narrowly tailored” principle as set forth in Chapter 4.1 of the Guide for New Listing Applicants issued by the Stock Exchange to the extent practicable, as soon as practicable after further guidance from authorities is published with respect to the specific requirements under the then PRC laws and regulations and the regulatory procedures that we need to follow to complete such adjustment.

OUR CONTRACTUAL ARRANGEMENTS

Overview

Because foreign investment in certain areas of the industry in which we currently operate is subject to restrictions under current PRC laws and regulations as outlined above, we do not directly own any equity interests in our Consolidated Affiliated Entities. As of the Latest Practicable Date, the Onshore Holdco is held by Qin Miao (繆欽) as to 45%, Yayun Li (李婭雲) as to 30% and Pang Zhang (張雱) as to 25%.

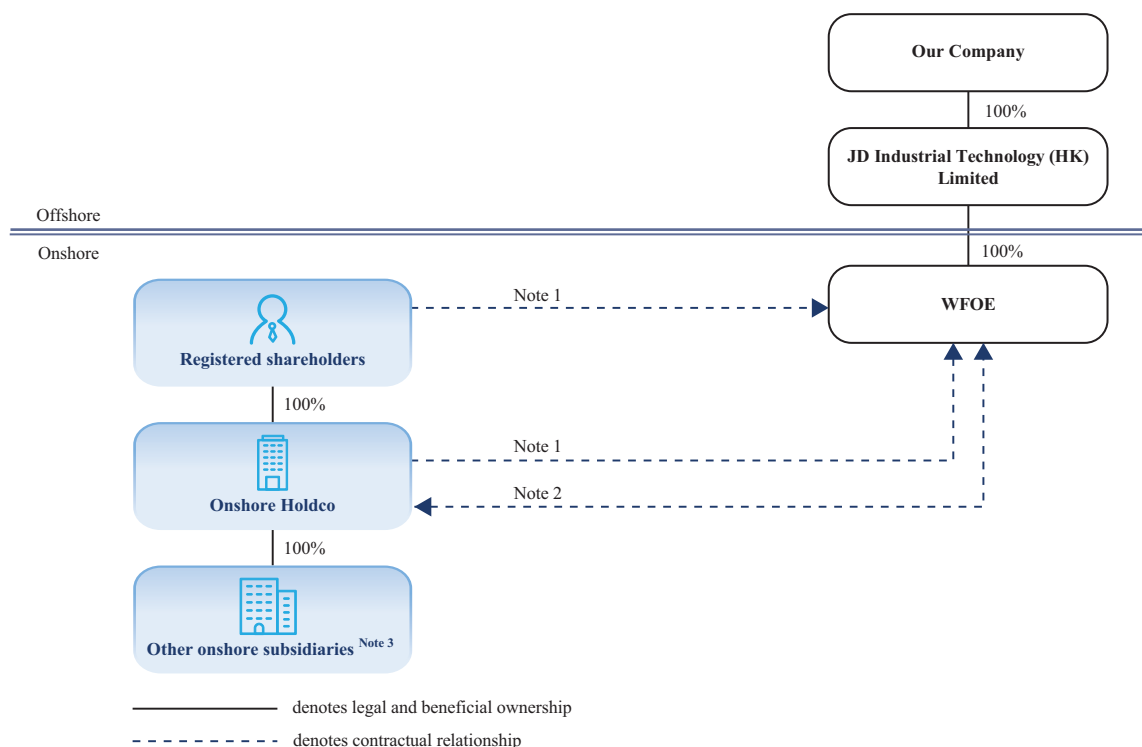
In view of the aforementioned PRC regulatory background, after consultation with our PRC Legal Adviser, we determined that it was not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, we would gain effective control over and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entities through the Contractual Arrangements. 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.

In order to comply with PRC laws and regulations while availing ourselves of international capital markets and maintaining effective control over all of our operations, we commenced a series of reorganization activities. Pursuant to the Reorganization, in replacement of the previous contractual arrangements (which were entered into on May 18, 2020, June 22, 2020 and September 16, 2022), the Contractual Arrangements currently in effect were entered into on March 30, 2023, whereby the WFOE have acquired effective control over the financial and operational policies of our Consolidated Affiliated Entities and have become entitled to all the economic benefits derived from their operations. In order to comply with the requirements of Listing Decision LD43-3 (now Chapter 4.1 of the Guide for New Listing Applicants issued by the Stock Exchange), the Company decided to terminate the previous contractual arrangements executed by relevant parties on September 16, 2022 (the “**Second Contractual Arrangements**”). The WFOE, the Onshore Holdco and the Registered Shareholders signed a termination agreement to terminate the Second Contractual Arrangements and executed the current Contractual Arrangements on March 30, 2023. The current Contractual Arrangements were amended to include certain clauses in accordance with the requirements of Listing Decision LD43-3, including dispute resolution clauses and clauses related to the right of the WFOE to acquire all the assets of the Onshore Holdco. There is no material difference between the Second Contractual Arrangements and the current Contractual Arrangements. The termination of the Second Contractual Arrangements and its replacement with the current Contractual Arrangements had no impact on the operations and financial position of the 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, amounted to approximately 7.2%, 5.9%, 6.1% and 8.0% for each of the three years ended December 31, 2024 and the six months ended June 30, 2025,

CONTRACTUAL ARRANGEMENTS

respectively. Based on the above, we believe that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations.

Our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between the WFOE and our Consolidated Affiliated Entities; (ii) by entering into the Exclusive Business Cooperation Agreement 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 (iii) a number of other companies use similar arrangements to accomplish the same purpose.



Notes:

1. The Registered Shareholders 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. See section headed “—Our Contractual Arrangements—Exclusive Option Agreement.”
The Registered Shareholders executed powers of attorney in favor of the WFOE, for the exercise of all shareholders’ rights in the Onshore Holdco. See section headed “—Our Contractual Arrangements—Shareholders’ Rights Entrustment Agreement and Powers of Attorney.”
The Registered Shareholders granted security interests in favor of the WFOE, over the entire equity interests in the Onshore Holdco. See section headed “—Our Contractual Arrangements—Share Pledge Agreement.”
2. The WFOE provides business support, technical and consulting services in exchange for service fees from the Onshore Holdco. Please refer to “—Our Contractual Arrangements—Exclusive Business Cooperation Agreement.”
3. Onshore Holdco holds, among others, 100% of the equity interests of Beijing Boyan and Suzhou Gongpinhui.

Circumstances under which we will unwind the Contractual Arrangements

Our Group will unwind and terminate the Contractual Arrangements as soon as practicable in respect of the operation of our internet information provision service business to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations if the relevant government authority grants ICP License to our foreign investment companies.

CONTRACTUAL ARRANGEMENTS

Summary of the agreements under the Contractual Arrangements and other key terms thereunder

A description of each 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 fiscal years (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 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 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 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.

Exclusive Option Agreement

The Onshore Holdco and the 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 Registered Shareholders

CONTRACTUAL ARRANGEMENTS

and/ or the Onshore Holdco shall return any amount of purchase price they have received to the WFOE. At the WFOE's request, the 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 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 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 Registered Shareholders receive any distribution from the Onshore Holdco and/or its subsidiaries and subject to the PRC laws, the 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.

Loan Agreement

Pursuant to the loan agreement dated March 30, 2023 between the WFOE and the Registered Shareholders (the “**Loan Agreement**”), the WFOE made loans in an aggregate amount of RMB10 million to the 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 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 Registered Shareholders must sell all of their equity interests

CONTRACTUAL ARRANGEMENTS

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 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 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.

Shareholders' Rights Entrustment Agreement and Powers of Attorney

Pursuant to the shareholder's rights entrustment agreement entered into among the 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 Registered Shareholders on the same day (the "**Power of Attorney**"), whereby the 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 (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 Registered Shareholders. The 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 Shareholders' Rights Entrustment Agreement and the Powers of Attorney, we, through the WFOE, are 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 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

CONTRACTUAL ARRANGEMENTS

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.

Share Pledge Agreement

The Onshore Holdco, the 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 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, 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 Registered Shareholders are satisfied in full; (ii) the WFOE exercises its exclusive option to purchase the entire equity interests held by the 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 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 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.

Other key terms thereunder

Dispute resolution

Each of the Contractual Arrangements stipulates that the parties thereto shall negotiate in good faith to resolve the dispute in the event of any dispute with respect to the construction and performance of the provisions of any such Contractual Arrangements. In the event the parties fail to resolve such a dispute within 30 days after any party’s request for resolution of the dispute through negotiations, any party may submit the relevant dispute to the Beijing Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on all parties. Any party shall have the right to apply to the courts with competent jurisdiction for enforcement of arbitration rulings after the arbitration rulings come into force.

Each of the Contractual Arrangements also provides that (i) the arbitral tribunal may award remedies over the equity interests, assets or property interest of the Onshore Holdco, injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of the

CONTRACTUAL ARRANGEMENTS

Onshore Holdco; and (ii) the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company) and other jurisdiction (being the place of domicile of the Onshore Holdco and where the principal assets of the Onshore Holdco or the WFOE are located) also have jurisdiction for the grant or enforcement of the arbitral award and the interim remedies against the shares or property interest of the Onshore Holdco.

However, our PRC Legal Adviser has advised that (i) a tribunal normally would not grant such kind of injunctive relief or winding up order of the Onshore Holdco under PRC laws; (ii) interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; and (iii) even if the abovementioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreement under the Contractual Arrangements.

As a result of the above, in the event that our Consolidated Affiliated Entities, the Onshore Holdco or the Registered Shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our Consolidated Affiliated Entities and conduct our business could be materially and adversely affected. Please refer to the section headed “Risk Factors—Risks Related to Our Corporate Structure—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.”

Succession

The provisions set out in the Contractual Arrangements are also binding on the successors of the Registered Shareholders, as if the successors were signing parties to the Contractual Arrangements. Under the succession laws of the PRC, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and the maternal grandparents and any breach by the successors would be deemed to be a breach of the Contractual Arrangements. In case of a breach, the WFOE can enforce its rights against the successors. Pursuant to the Contractual Arrangements, any inheritor of the Registered Shareholders shall inherit any and all rights and obligations of the registered shareholders under the Contractual Arrangements as a result of their death, loss of capacity, marriage, divorce, bankruptcy or under other circumstance which would affect their exercise of equity interest in the Onshore Holdco, as if the inheritor was a signing party to such Contractual Arrangements.

According to the terms of the Exclusive Option Agreement, each of the Registered Shareholders has undertaken, in the event of death, bankruptcy, marriage, divorce or any other event which causes the inability of the shareholder to perform their day-to-day obligations, to transfer all of the equity interests, including right and obligations, in the Onshore Holdco, held by them without consideration to the WFOE or an individual or legal entity designated by the WFOE under applicable PRC law.

In addition, the spouse of each of relevant Registered Shareholders executes an irrevocable undertaking on March 30, 2023, whereby they will expressly and irrevocably acknowledge and undertake that (i) any equity interests held by such Registered Shareholder in the Onshore Holdco do not fall within the scope of their communal properties; (ii) they will not have any claim on the interests of the Onshore Holdco obtained through the Contractual Arrangements; (iii) they have never participated and will not participate in the operation or management of the Onshore Holdco.

CONTRACTUAL ARRANGEMENTS

Based on the foregoing, our PRC Legal Adviser is of the view that (i) the Contractual Arrangements provide protection to us even in the event of loss of capacity, death, bankruptcy (if applicable), marriage or divorce of the Registered Shareholders; and (ii) loss of capacity, death, bankruptcy (if applicable), marriage or divorce of the Registered Shareholders would not affect the validity of the Contractual Arrangements, and the WFOE can enforce its rights under the Contractual Arrangements against the successors of such shareholders.

Arrangements to address potential conflicts of interest

Each of the Registered Shareholders has given their irrevocable undertakings in the Powers of Attorney which address potential conflicts of interests that may arise in connection with the Contractual Arrangements. For further details, see the sub-paragraph headed “—Shareholders’ Rights Entrustment Agreement and the Powers of Attorney” above.

Loss sharing

None of the agreements constituting the Contractual Arrangements provides that our Company or the WFOE is obligated to share the losses of the Onshore Holdco, but if the Onshore Holdco suffers any losses or material difficulties of business, the WFOE may provide financial support as permitted under PRC laws at its discretion to the Onshore Holdco under the terms of the Exclusive Business Cooperation Agreement. Further, the Onshore Holdco is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. Under PRC laws and regulations, our Company or the WFOE is not expressly required to share the losses of the Onshore Holdco or provide financial support to the Onshore Holdco. Despite the foregoing, given that we conduct the Relevant Businesses in the PRC through the Consolidated Affiliated Entities which hold the requisite PRC license and approvals and that the Onshore Holdco’s results of operations and assets and liabilities are consolidated into our results of operations and assets and liabilities under the applicable accounting principles, our business, financial condition and results of operations would be adversely affected if the Consolidated Affiliated Entities suffered losses.

Liquidation

Pursuant to the Exclusive Option Agreement, in the event of a mandatory liquidation required by PRC laws, the Onshore Holdco shall sell all of its assets, to the extent permitted by PRC laws, to the WFOE or another qualifying entity designated by the WFOE, at the lowest selling price permitted by applicable PRC laws. Any obligation for the WFOE to pay the Onshore Holdco as a result of such transaction shall be waived by the Onshore Holdco and any profits arising from the above transactions shall be paid to the WFOE or the qualifying entity designated by the WFOE in partial satisfaction of the service fees under the Exclusive Option Agreement, as applicable under the then current PRC laws. Accordingly, in the event of winding up of the Onshore Holdco, a liquidator may seize the relevant assets of the Onshore Holdco through the WFOE based on the Contractual Arrangements for the benefit of our creditors/shareholders.

Termination

Each of the Contractual Arrangements provides that the WFOE and the Onshore Holdco shall terminate the Contractual Arrangements once the WFOE holds the entire equity interests and/or the entire assets of the Onshore Holdco under the then PRC laws and if the WFOE or its subsidiaries are able to conduct the Relevant Businesses directly as a result of being permitted to do so under the then PRC laws

CONTRACTUAL ARRANGEMENTS

and the WFOE is registered as the sole shareholder of the Onshore Holdco. In addition, pursuant to the Exclusive Business Cooperation Agreement, the WFOE has the unilateral right to terminate these agreements at any time by providing 30 days' advance written notice to the Onshore Holdco.

Insurance

We do not maintain an insurance policy to cover the risks relating to the Contractual Arrangements.

Company's confirmation

As of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through the Consolidated Affiliated Entities under the Contractual Arrangements.

Legality of the Contractual Arrangements

The WFOE's right to deal with the pledged equity interest in the Onshore Holdco under the Share Pledge Agreement and its option to acquire the relevant equity interest in and/or the relevant assets of the Onshore Holdco under the Exclusive Option Agreement are confined to be carried out in a manner as permitted by the relevant PRC laws. Further, the pledges created under the Share Pledge Agreement shall only become effective upon its due registration with the relevant Administration for Industry and Commerce of the PRC. Based on the above, our PRC Legal Adviser is of the opinion that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations.

Our PRC Legal Adviser is also of the opinion that:

- (i) each of the WFOE and the Onshore Holdco is an independent legal entity which is duly established, and their respective establishment is valid, effective and complies with the relevant PRC laws;
- (ii) each of the agreements under the Contractual Arrangements is legal, valid and binding on the parties thereto and none of the them would be deemed as void under the PRC Civil Code;
- (iii) none of the agreements under the Contractual Arrangements violates any provisions of respective articles of association of the WFOE, or the Consolidated Affiliated Entities;
- (iv) the Contractual Arrangements do not require any approvals from the PRC governmental authorities, except that (a) the pledges under the share pledge agreement are required to be registered with the relevant local SAMR; and (b) the exercise of the option by WFOE of their right under exclusive option agreement to all or part of the equity interests in our Onshore Holdcos is subject to the approvals of, consent of, filing with and/or registration with the PRC governmental authorities;
- (v) the Contractual Arrangements are not in violation of applicable PRC laws and regulations, except that the Contractual Arrangements provide that the arbitral body may award remedies over the shares and/or assets of the Onshore Holdco, injunctive relief and/or winding up of the Onshore Holdco, and that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation

CONTRACTUAL ARRANGEMENTS

of an arbitral tribunal, while under PRC laws, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in the Onshore Holdco in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in China; and

- (vi) the consummation of the contemplated listing of our shares on the Stock Exchange is not a violation of the Rules on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, which was adopted by six PRC regulatory agencies, including MOFCOM and the China Securities Regulatory Commission, and effective since September 2006 and amended on June 22, 2009. Our PRC Legal Adviser is of the view that the use of the Contractual Arrangements does not constitute a breach of the relevant laws and regulations in effect. However, we have been advised by our PRC Legal Adviser that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to or otherwise different from the above opinion of our PRC Legal Adviser.

Based on the above advice from our PRC Legal Adviser, the Directors are of the view that the adoption of the Contractual Arrangements is unlikely to be deemed ineffective or invalid under the applicable PRC laws and regulations. See the section headed “Risk Factors—Risks Related to Our Corporate Structure—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.”

Given that the Contractual Arrangements will constitute non-exempt continuing connected transactions of our Company, a waiver has been sought from and has been granted by the Stock Exchange, details of which are disclosed in the section headed “Connected Transactions” of this document.

DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

Background of the Foreign Investment Law

On March 15, 2019, the National People’s Congress approved the Foreign Investment Law which became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law, which came into effect on January 1, 2020. The Foreign Investment Law superseded the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Cooperative Joint Ventures Enterprise Law and the Wholly Foreign Invested Enterprises Law to become the legal foundation for foreign investment in the PRC. The Foreign Investment Law stipulates certain forms of foreign investment, but does not explicitly stipulate contractual arrangements as a form of foreign investment. The Implementation Regulations on the Foreign Investment Law are also silent on whether foreign investment includes contractual arrangements.

Impact and consequences of the Foreign Investment Law

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, including our Group. We use the Contractual Arrangements to establish control of our

CONTRACTUAL ARRANGEMENTS

Consolidated Affiliated Entities, by the WFOE, through which we operate our business in the PRC. As advised by our PRC Legal Adviser, since contractual arrangements are not specified as foreign investment under the Foreign Investment Law and if future laws, regulations and provisions prescribed by the State Council do not incorporate contractual arrangements as a form of foreign investment, our Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements will not be affected and will continue to be legal, valid and binding on the parties with an exception, for which, see “Contractual Arrangements—Legality of the Contractual Arrangements.”

Notwithstanding the above, the Foreign Investment Law stipulates that foreign investment includes “foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council” without elaboration on the meaning of “other methods.” There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of our Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. See “Risk Factors—Risks Related to our Corporate Structure—Our current corporate structure and business operations may be affected by the Foreign Investment Law.”

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion as and when they arise;
- (ii) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (iii) our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports; and
- (iv) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the WFOE and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Consolidation of financial results of Consolidated Affiliated Entities

Under the Exclusive Business Cooperation Agreement, it was agreed that, in consideration of the services provided by the WFOE, the Onshore Holdco shall pay services fees to the WFOE. The services fee shall equal to the net profit of the Onshore Holdco and its subsidiaries, which, subject to the WFOE’s adjustment, amounts to the total profit of the Onshore Holdco and its subsidiaries, after deducting any accumulated losses of the Onshore Holdco and its subsidiaries from the previous fiscal

CONTRACTUAL ARRANGEMENTS

years (if applicable), and necessary costs, expenses, tax and other statutory contribution in relation to the respective fiscal year. The WFOE has the right to periodically receive or inspect the accounts of the Consolidated Affiliated Entities.

In addition, under the Exclusive Option Agreement, the WFOE has absolute contractual control over the distribution of dividends or any other amounts to the Registered Shareholders as the WFOE's prior written consent is required before any distribution can be made. If the Registered Shareholders receive any income, profit distribution or dividend, they shall promptly transfer or pay, as part of the services fee under the Exclusive Business Cooperation Agreement, such income, profit distribution or dividend to the WFOE or any other person designated by the WFOE to the extent permitted under applicable PRC laws.

As a result of the Contractual Arrangements between the WFOE, the Onshore Holdco and the Registered Shareholders, the WFOE is able to effectively control, recognize and receive substantially all the economic benefits of the business and operations of the Consolidated Affiliated Entities. Accordingly, the Consolidated Affiliated Entities are treated as controlled structured entities of our Company and consolidated by our Company. The basis of consolidating the results of the Consolidated Affiliated Entities is disclosed in Notes 1.2 and 3.1 to the Accountants' Report set out in Appendix I.

REGULATIONS

Regulations relating to Foreign Investment

The establishment, operation and management of companies in PRC are governed by the PRC Company Law (《中華人民共和國公司法》) which was promulgated by the Standing Committee of the National People's Congress (the "SCNPC") on December 29, 1993, came into effect on July 1, 1994 and was last revised on December 29, 2023. Under the PRC Company Law, companies are generally classified into two categories, i.e. limited liability companies and companies limited by shares. Each a limited liability company or a company limited by shares is an enterprise legal person, and liable for its debts with all its assets. The PRC Company Law is also applicable to foreign-invested companies, except otherwise set out in any other regulations. The latest revised PRC Company Law mainly focused on improving the establishment and liquidation system of companies, optimizing organizational structures of companies, improving the capital system of companies, strengthening the responsibilities of the controlling shareholder and management, and enhancing the social responsibilities of companies, etc. With respect to the period for payment of the registered capital, pursuant to the latest revised PRC Company Law, all shareholders of a PRC limited liability company shall fully pay up the registered capital subscribed for by such shareholders within five years since the establishment date of the PRC limited liability company, unless otherwise provided by laws and regulations. On July 1, 2024, the State Council issued the Regulations of the State Council on the Implementation of the Registered Capital Registration Management System of the "Company Law of the People's Republic of China" (《國務院關於實施〈中華人民共和國公司法〉註冊資本登記管理制度的規定》), which further specified the detailed requirements and measures of the registration and management of registered capital under the latest revised PRC Company Law. Pursuant to such provisions, there shall be a three-year interim period from July 1, 2024 to June 30, 2027 for the existing companies to adjust their time limit for capital contribution.

Pursuant to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "Foreign Investment Law") promulgated by the NPC on March 15, 2019 and came into effect on January 1, 2020, the "Foreign Investment" refers to the investment activity directly or indirectly conducted by the foreign natural person, enterprise or other organization (hereinafter referred to as the "foreign investors"), including the following circumstances: (i) a foreign investor establishes a foreign-invested enterprise within the territory of China, independently or jointly with any other investor; (ii) a foreign investor acquires shares, equities, property shares or any other similar rights and interests of an enterprise within the territory of China; (iii) a foreign investor makes investment to initiate a new project within the territory of China, independently or jointly with any other investor; and (iv) a foreign investor makes investment in any other way stipulated by laws, administrative regulations or provisions of the State Council. The state applies the administrative system of pre-establishment national treatment plus negative list to foreign investment. Foreign Investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List, while for foreign investments outside the Negative List, national treatment will be given. The business forms, structures, and rules of activities of foreign-funded enterprises shall be governed by the PRC Company Law, the Partnership Law of the PRC (《中華人民共和國合夥企業法》) and other laws. In conducting production and distribution activities, foreign-funded enterprises shall comply with the provisions of laws and administrative regulations pertaining to labor protection and social insurance, conduct taxation, accounting, foreign exchange, and other affairs according to laws, administrative regulations, and the relevant provisions issued by the state, and accept the supervisory inspection legally conducted by the appropriate departments.

REGULATIONS

The Implementing Regulation for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, provides implementing measures and detailed rules to ensure the effective implementation of the Foreign Investment Law.

The Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) was issued by the MOFCOM and the SAMR on December 30, 2019, which came into effect on January 1, 2020. Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in the PRC, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to such measures.

Regulations relating to Value-added Telecommunication Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the “Telecommunications Regulations”) promulgated by the State Council on September 25, 2000 and last amended on February 6, 2016, provide a regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations require telecommunications services providers to obtain an operating license prior to the commencement of their operations. The Telecommunications Regulations categorize telecommunications services into basic telecommunications services and the value-added telecommunications services (the “VATS”). According to the Catalog of Telecommunications Business (《電信業務分類目錄》) attached to the Telecommunications Regulations, which was promulgated by the Ministry of Information Industry of the PRC (the “MII”, which is the predecessor of the MIIT) and last amended by MIIT on June 6, 2019, Internet information services and call center services fall within the VATS.

Foreign direct investment in telecommunications companies in the PRC is regulated by the Regulations for Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the “FITE Regulations”), which was latest amended on March 29, 2022. The FITE Regulations require foreign-invested telecommunications enterprises in the PRC, to be established as sino-foreign joint ventures, and foreign investors shall not acquire more than 50% of the equity interest of such an enterprise unless it is otherwise provided for by the State.

Pursuant to the Special Administrative Measures for Access of Foreign Investment (Negative List)(2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》), promulgated by the NDRC and the MOFCOM jointly on September 6, 2024 which became effective on November 1, 2024, foreign investors shall not invest in any of the prohibited fields specified in the Negative List, and they must obtain permit for investment in other fields set out in the Negative List that are not prohibited.

According to the Negative List, the foreign share ratio for value-add telecommunications services (except for e-commerce, domestic multi-party communications, storage-forwarding and call centers) shall not exceed 50%. Moreover, foreign direct investment in telecommunications companies in China is governed by the FITE Regulations. The regulations require foreign invested value-added telecommunications enterprises in China to be established as sino-foreign equity joint ventures, which the foreign investors are prohibited from holding more than 50% of the equity interests of such enterprise, unless it is otherwise provided for by PRC. The qualification requirements for the main foreign investor of a foreign-funded telecommunications enterprise are removed by the FITE Regulations.

REGULATIONS

The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the “Internet Measures”), which was promulgated by the State Council on September 25, 2000 and mostly recently amended on December 6, 2024, set out guidelines on the provision of internet information services. The Internet Measures classified Internet information services into commercial Internet information services and non-commercial Internet information services and a commercial operator of internet content provision services must obtain a VATS License for the provision of internet information services from the appropriate telecommunications authorities.

Regulations on Cybersecurity, Data Security and Protection of Personal Information

Regulations Relating to Cybersecurity and Data Security

The PRC government has enacted laws and regulations with respect to internet information security and protection of personal information from any abuse or unauthorized disclosure. The PRC Cybersecurity Law (《中華人民共和國網絡安全法》), which was promulgated in November 7, 2016 and took into effect on June 1, 2017, requires network operators, including internet information services providers among others, to comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. The PRC Cybersecurity Law further requires network operators to take all necessary measures in accordance with applicable laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to cybersecurity incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Any violation of the provisions and requirements under the PRC Cybersecurity Law may subject an internet service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancelation of filings, closedown of websites or even criminal liabilities. On October 28, 2025, the SCNPC issued the Decision on Amending the PRC Cybersecurity Law (《全國人民代表大會常務委員會關於修改〈中華人民共和國網絡安全法〉的決定》), which will take effect on January 1, 2026. Pursuant to the amended PRC Cybersecurity Law, the violations of the PRC Cybersecurity Law shall be subject to more punishment. Specifically, the amended PRC Cybersecurity Law enhanced the punishment against violations of the network operation security obligation, the critical information infrastructure operation security obligation, and the network information security obligation by increasing the upper limits of the fines and imposing additional punishment. The amended PRC Cybersecurity Law also enhanced the punishment against personal information infringement by referencing to the punishment under applicable laws which would include relevant punishment under the PRC Personal Information Protection Law.

The PRC Data Security Law (《中華人民共和國數據安全法》) was promulgated on June 10, 2021 and became effective on September 1, 2021. The PRC Data Security Law imposes data security and privacy obligations on entities and individuals carrying out data activities, and introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The PRC Data Security Law also provides for a national security review procedure for data activities that may affect national security and imposes export restrictions on certain data and information. Violations of the PRC Data Security Law may subject the relevant entities or individuals to warning, fines, suspension of business for rectification, revocation of permits or business licenses, and/or even criminal liabilities. According to the PRC Data Security Law, the maximum monetary fine imposed on the breaching party is RMB10 million.

REGULATIONS

For purposes of ensuring the security of the supply chain for critical information infrastructure and maintaining national security, on December 28, 2021, the Cyberspace Administration of China (the “CAC”) published the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022 simultaneously repealing the Measures for Cybersecurity Review implemented on June 1, 2020. The Measures for Cybersecurity Review has inserted the procedures for additional oversight of “foreign listing” in relation to cybersecurity. Online platform operators that possess the personal data of more than one million users must apply for a cybersecurity review by the Cybersecurity Review Office, if they plan listing of companies in foreign countries. In addition, the Measures for Cybersecurity Review specifies that the procurement of network products and services by operator of critical information infrastructure and the activities of data process carried out by online platform operator that raise or may raise “national security” concerns are subject to strict cybersecurity review by Office of Cybersecurity Review established by the CAC. The Cybersecurity Review Office may voluntarily conduct cybersecurity review if it deems necessary. Pursuant to the Measures for Cybersecurity Review, any violation shall be punished in accordance with the PRC Cybersecurity Law and the PRC Data Security Law, the sanctions under which include, among others, government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations.

On July 7, 2022, the CAC published the Measures for the Security Assessment of Cross-border Transfer of Data (《數據出境安全評估辦法》), which became effective on September 1, 2022 and specifies that any data processor providing important data and personal information collected and generated during operations within the PRC for overseas recipients and falling under any of the following circumstances, shall apply for the security assessment: (i) where the data processor provides important data for overseas recipients; (ii) where a critical information infrastructure operator or a data processor who has processed personal information of more than 1,000,000 individuals, provides personal information for overseas recipients; (iii) where a data processor who has provided personal information of 100,000 individuals cumulatively or sensitive personal information of 10,000 individuals cumulatively for overseas recipients since January 1 of the previous year, provides personal information for overseas recipients; and (iv) other circumstances where the security assessment of data cross-border transfer is required as prescribed by national cyberspace administration authority. The data processor shall conduct a self-assessment of the risks on data cross-border transfer prior to the application for the security assessment. On March 22, 2024, the CAC issued the Provisions on Facilitating and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) (the “Cross-Border Data Flows Provisions”), which requires that data processors shall apply to the national cyberspace administration for security assessment of cross-border data transfer under the following circumstances, through the local cyberspace administration at the provincial level: (i) critical information infrastructure operators providing personal information or important data overseas; and (ii) data processors other than critical information infrastructure operators providing important data overseas, or cumulatively providing overseas personal information (excluding sensitive personal information) of more than one million individuals or sensitive personal information of more than 10,000 individuals since January 1 of a given year and up until the end of that year. The Cross-Border Data Flows Provisions also provides that, where the data processors other than critical information infrastructure operators provide personal information (excluding sensitive personal information) overseas of not less than 100,000 but not more than one million individuals, or the sensitive personal information of not more than 10,000 individuals, cumulatively since January 1 of a given year and up until the end of that year, it shall conclude a standard contract with overseas recipients or obtain the authentication on personal information protection. Articles 3 to 6 of the Cross-Border Data Flows Provisions mainly provide the exemptions from applying for the security assessment or authentication,

REGULATIONS

and entering into the standard contracts. Exemptions include but are not limited to international trade, cross-border transportation, academic cooperation, transactional manufacturing, marketing and other activities that do not involve personal information or important data, among others.

On September 24, 2024, the State Council released the Cyber Data Security Administration Regulations (《網絡數據安全管理條例》) (“**Cyber Data Regulations**”), which came into force on January 1, 2025. The Cyber Data Regulations stipulate that internet data processors who carry out internet data processing activities that affect or may affect national security shall undergo national security review in accordance with relevant state regulations. In addition, the Administrative Measures for Internet Data Security also regulate other specific requirements in respect of the data processing activities conducted by data processors in the view of personal data protection, important data safety, data cross-broader safety management and obligations of network platform service providers. Internet data processors shall identify and declare important data in accordance with relevant state regulations. For data confirmed as important data, relevant regions and departments shall promptly inform internet data processors or make public announcements. Internet data processors shall fulfill their responsibilities for internet data security protection. Processors of important data shall designate persons in charge of data security and establish data security management institutions. Internet data security management institutions shall fulfill their responsibilities for data security protection. Processors of important data shall conduct risk assessments of their data processing activities on an annual basis and submit risk assessment reports to relevant competent departments at or above the provincial level. Relevant competent departments shall promptly notify the cyberspace affairs departments and public security organs at the same level. Network platform service providers shall clarify the data security protection obligations of third-party product and service providers accessing their platforms through platform rules or contracts, and urge third-party product and service providers to strengthen cyber data security management. When network platform service providers push information to individuals through automated decision-making methods, they shall set up easy-to-understand, accessible and operable turn-off options for the personalized recommendation, and provide users with functions such as refusing to receive pushed information and deleting user tags for their personal characteristics.

On September 17, 2021, the CAC, together with eight other governmental authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithm for Internet Information Services (《關於加強互聯網信息服務算法綜合治理的指導意見》), which provides that daily monitoring of data use, application scenarios and effects of algorithms shall be carried out by the relevant regulators, and security assessments of algorithm shall be conducted by the relevant regulators. The guidelines also provide that an algorithm filing system shall be established and classified security management of algorithms shall be promoted. On December 31, 2021, the CAC, the MIIT, the Ministry of Public Security of PRC (“MPS”) and the SAMR jointly issued Administrative Provisions on Algorithm Recommendation of Internet Information Services (《互聯網信息服務算法推薦管理規定》), which became effective from March 1, 2022 and clearly requires algorithm recommendation service providers: (i) not to use algorithms to block information, over-recommend; (ii) not to set up algorithm models such as inducing users to indulge, over-consumption; or (iii) not to use algorithms to implement unreasonable differential treatment on transaction prices or other transaction conditions.

As advised by the PRC Legal Adviser, the Group is in compliance with the current effective the Measures for Cybersecurity Review, Cyber Data Regulations and other relevant measures or

REGULATIONS

regulations in the PRC (“**Cybersecurity Regulations**”) in all material aspects. The Company and its PRC Legal Adviser are of the view that the Cybersecurity Regulations would not have a material adverse impact on the Group’s business operations or the Company’s proposed Listing in Hong Kong. As advised by the PRC Legal Adviser, the Company is of the view that the likelihood that the Group’s business operations or the Company’s proposed Listing in Hong Kong might give rise to national security risks which subject the Company to cybersecurity review under the Cybersecurity Review Measures is relatively low, considering that, as of the Latest Practicable Date, (a) the Company has not been involved in any cybersecurity review or investigation by the CAC or other PRC government authorities with respect to the Cybersecurity Review Measures; (b) the Company has not been informed that the Company is recognized as a crucial information infrastructure operator by any relevant authority; (c) the data processed by the Company has not been identified as core data or important data by any authority; and (d) the Company has taken reasonable and adequate technical and management measures to ensure data security. Nevertheless, there remain uncertainties with respect to explanation and interpretation of the Cybersecurity Regulations. The Company will continue to pay close attention to the legislative and regulatory developments in data security and comply with the latest regulatory requirements. As confirmed by the PRC Legal Adviser, the Group had not been subject to material fines or sanctions imposed by any PRC government authorities (including CAC) in relation to data and cybersecurity during the Track Record Period and up to the Latest Practicable Date. With the support of the PRC Legal Adviser, the Company has adopted necessary internal measures to comply with the Cybersecurity Regulations in all material aspects, which includes: (i) the Company has adopted strict data governance policies in relation to data protection, collection, usage, storage, retention and transmission, and updates data governance policies in accordance with legal and regulatory requirements to ensure that the Company meet the continuous regulatory compliance with the Cybersecurity Regulations, (ii) the Company sets up a data security group, which is responsible for formulating data and information security strategies, and supervising the implementation of the data security and information security strategies, and (iii) the Company engages external legal counsel to review its internal policies to ensure the compliance with the current effective Cybersecurity Regulations.

Having considered (i) the Company’s and its PRC Legal Adviser’s views that the Cybersecurity Regulations would not have a material adverse impact on the Group’s business operations or the Company’s proposed Listing in Hong Kong; and (ii) the independent due diligence work performed by the Joint Sponsors (including but not limited to reviewing the data compliance legal opinion issued by the cybersecurity compliance counsel, general legal opinion issued by the PRC Legal Adviser with assistance of the Joint Sponsors’ PRC legal adviser and the internal control report, and conducting background searches and negative news run), nothing has come to the Joint Sponsors’ attention that would cause them to cast reasonable doubt on the Company’s view that the Cybersecurity Regulations would not have a material adverse impact on the Group’s business operations or the Company’s proposed listing in Hong Kong.

Regulations Relating to Protection of Personal Information

Pursuant to Civil Code of the PRC (《中華人民共和國民法典》)(the “Civil Code”) that was issued by the NPC on May 28, 2020 and took effect on January 1, 2021, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

REGULATIONS

On August 20, 2021, the SCNPC issued the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which took effect on November 1, 2021. The PRC Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (1) the individual's consent has been obtained; (2) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (3) the processing is necessary to fulfill statutory duties and statutory obligations; (4) the processing is necessary to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (5) the personal information that has legally been made public by the relevant individual or otherwise is processed within a reasonable scope; (6) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; or (7) under any other circumstance as provided by any law or regulation. No organization or individual may illegally collect, use, process or transmit personal information, illegally buy or sell, provide or make personal information public, or engage in the processing of personal information that endangers the national security or public interests. In terms of cross-border transmission of personal information, pursuant to the PRC Personal Information Protection Law, a personal information processor, providing personal information to any party outside the territory of the PRC, shall notify individuals of the overseas recipient's identity, contact information, processing purposes, processing methods, categories of personal information, the methods in which individuals exercise the rights over the overseas recipient, and other matters, and obtain individuals' separate consent. Furthermore, critical information infrastructure operators and the personal information processors that process the personal information reaching or exceeding the threshold specified by the national cyberspace administration in terms of quantity shall store domestically the personal information collected and generated within the territory of the PRC. Where it is truly necessary to provide the information abroad, the security assessment organized by the national cyberspace administration shall be passed, unless otherwise regulated by laws, administrative regulations, or provisions issued by the national cyberspace administrative authorities. On the other hand, personal information processors shall themselves, on the basis of the purposes of the processing of personal information, processing methods, categories of personal information, the impacts on individuals, and potential security risks, among others, take necessary measures to ensure that personal information processing activities comply with the provisions of laws and administrative regulations, and prevent unauthorized access to as well as the leakage, tampering or loss of personal information.

Under the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》) issued by the MIIT in 2011, without the consent of users, internet information service providers shall not collect information relevant to the users that can lead to the recognition of the identity of the users independently or in combination with other information (hereinafter referred to as "User Personal Information"), nor shall they provide User Personal Information to others, unless otherwise required by laws and administrative regulations. An internet information service provider must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information and may only collect such information necessary for the provision of its services. An internet information service provider is also required to properly keep the user personal information, and in case of any leak or likely leak of the user personal information, the internet information service provider must take immediate remedial measures and, in severe circumstances, to make an immediate report to the telecommunications regulatory authority.

REGULATIONS

In addition, pursuant to the Decision on Strengthening the Protection of Online Information (《關於加強網絡信息保護的決定》) issued by the SCNPC on December 28, 2012 and the Order for the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》) issued by the MIIT on July 16, 2013, any collection and use of user personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scopes. An internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering or destroying any such information, or selling or providing such information to other parties. Any violation of the above decision or order may subject the internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancelation of filings, closedown of websites and/or even criminal liabilities. Furthermore, the Mobile Application Administrative Provisions strengthens the regulation of the mobile app information services. Pursuant to the Mobile Application Administrative Provisions, owners or operators of mobile apps that provide information services are required to be responsible for personal information protection, observe the principles of legality, appropriateness, necessity and good faith, and comply with the relevant provisions.

On November 28, 2019, the CAC, the MIIT, the MPS and the SAMR promulgated the Identification Method of Illegal Collection and Use of Personal Information Through App (《APP違法違規收集使用個人信息行為認定方法》), which provides guidance for the regulatory authorities to identify illegal collection and use of personal information through mobile apps, and for the app operators to conduct self-examination and self-correction and for other participants to voluntarily monitor compliance thereof. Pursuant to the Notice on Promulgation of the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications (《常見類型移動互聯網應用程序必要個人信息範圍規定》), which was promulgated jointly by the CAC, the MIIT, the MPS and the SAMR on March 12, 2021 and became effective on May 1, 2021, “necessary personal information” refers to personal information necessary for ensuring the normal operation of an application’s basic functional services. Specifically, it refers to the personal information of the consumers, excluding the personal information of the suppliers. Any mobile internet application shall not refuse users to use its basic functional services on the ground that users disagree to provide unnecessary personal information.

The Administrative Provisions on the Account Information of Internet Users (《互聯網用戶賬號信息管理規定》), which was promulgated by the CAC on June 27, 2022 and became effective on August 1, 2022, sets out guidelines on the provision the account information of internet users. Internet-based information service providers shall perform their responsibilities as the administrative subjects of the account information of internet users, have in place professionals and technical capacity appropriate to the scale of services, and establish, improve and strictly implement the authentication of real identity information, verification of account information, security of information content, ecological governance, emergency responses, protection of personal information and other management systems.

Pursuant to the Criminal Law of the PRC (《中華人民共和國刑法》) with the latest amendment by the SCNPC on December 29, 2023 and became effective on March 1, 2024, any internet service provider that fails to fulfill the obligations related to the internet information security administration as required by the applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty. Pursuant to the Notice of the Supreme People’s Court, the Supreme People’s Procuratorate and the

REGULATIONS

Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》), issued on April 23, 2013, Article 253 of the Criminal Law of the PRC, and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), which was issued on May 8, 2017 and took effect on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

Regulations relating to Leasing

We lease properties for our offices. Pursuant to the Law on Administration of Urban Real Estate (《城市房地產管理法》) which took effect in January 1995 with the latest amendment on August 26, 2019, which became effective on January 1, 2020, lessors and lessees are required to enter into a written lease contract, containing such provisions as the term of the lease, the use of the premises, rental price, liability for repair, and other rights and obligations of both parties. Both lessor and lessee are also required to file for registration and record the lease contract with the real estate administration department. Pursuant to implementing rules stipulated by certain provinces or cities, if the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines.

According to the PRC Civil Code (《中華人民共和國民法典》) which took effect on January 1, 2021, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

Regulations relating to Taxation

Enterprise Income Tax

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the PRC ("Enterprise Income Tax Law") (《中華人民共和國企業所得稅法》) which was latest amended on December 29, 2018, and the State Council enacted the Regulations for the Implementation of the Law on Enterprise Income Tax (《企業所得稅法實施條例》) which were latest amended on December 6, 2024 (collectively, the "EIT Law"). According to the EIT Law, taxpayers consist of resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC.

REGULATIONS

Non-resident enterprises are defined as enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment institutions or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside the PRC.

The EIT Law and its implementation rules, as well as the Law of the People's Republic of China on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法》) promulgated by the NPC and last amended on April 24, 2015, provide the rules of tax adjustment, which require the transactions between an enterprise and its related parties shall be made at arm's length principle. Where transactions between an enterprise and its related parties fail to comply with the arm's length principle and results in a reduction of the taxable income, the tax authorities shall have the right to make reasonable adjustments.

Value-Added Tax

Pursuant to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and latest amended on November 19, 2017, and the Implementation Rules for the Implementation of the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the MOF on December 25, 1993 and latest as amended on October 28, 2011, and became effective on November 1, 2011, entities or individuals engaging in the services is required to pay a VAT. On March 20, 2019, the MOF, the SAT and the General Administration of Customs jointly issued the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) ("Announcement 39"), to further slash value-added tax rates. According to the Announcement 39, (i) for general VAT payers' sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively; (ii) for the agricultural products purchased by taxpayers to which an existing 10% deduction rate is applicable, the deduction rate is adjusted to 9%; (iii) for the agricultural products purchased by taxpayers for production or commissioned processing, which are subject to VAT at 13%, the input VAT will be calculated at a 10% deduction rate; (iv) for the exportation of goods or labor services that are subject to VAT at 16%, with the applicable export refund at the same rate, the export refund rate is adjusted to 13%; and (v) for the exportation of goods or cross-border taxable activities that are subject to VAT at 10%, with the export refund at the same rate, the export refund rate is adjusted to 9%. The Announcement 39 came into effect on April 1, 2019 and shall prevail in case of any conflict with existing provisions.

Dividend Withholding Tax

Pursuant to the Enterprise Income Tax Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%.

REGULATIONS

Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise.

Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. Furthermore, the Administrative Measures for Non-Resident Taxpayer to Enjoy Treatments under Tax Treaties (《非居民納稅人享受稅收協定待遇管理辦法》) (“SAT Circular 60”), which became effective in November 2015, require that non-resident enterprises which satisfy the criteria for entitlement to tax treaty benefits may, at the time of tax declaration or withholding declaration through a withholding agent, enjoy the tax treaty benefits, and be subject to ongoing administration by the tax authorities. In the case where the non-resident enterprises do not apply to the withholding agent to claim the tax treaty benefits, or the materials and the information stated in the relevant reports and statements provided to the withholding agent do not satisfy the criteria for entitlement to tax treaty benefits, the withholding agent should withhold tax pursuant to the provisions of the PRC tax laws. The SAT issued the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發布〈非居民納稅人享受協定待遇管理辦法〉的公告》) (the “SAT Circular 35”) on October 14, 2019, which became effective on January 1, 2020. The SAT Circular 35 further simplified the procedures for enjoying treaty benefits and replaced the SAT Circular 60. According to the SAT Circular 35, no approvals from the tax authorities are required for a non-resident taxpayer to enjoy treaty benefits, where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, but it shall gather and retain the relevant materials as required for future inspection, and accept follow-up administration by the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. According to the Circular of the State Administration of Taxation on Several Issues regarding the “Beneficial Owner” in Tax Treaties (《國家稅務總局關於稅收協定中“受益所有人”有關問題的公告》) (“Circular 9”), which was issued on February 3, 2018 by the SAT, effective as of April 1, 2018, when determining the applicant’s status of the “beneficial owner” regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of its income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This circular further provides that applicants who intend to prove his or her status of the “beneficial owner” shall submit the relevant documents to the relevant tax bureau according to the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties.

REGULATIONS

Regulations relating to Intellectual Property Rights

Copyright

Copyright in the PRC, including copyrighted computer software, is principally protected under the Copyright Law of the PRC (《中華人民共和國著作權法》) and its implementation rules. The SCNPC has promulgated the Copyright Law of the PRC on November 11, 2020 (the “New Copyright Law”) and the New Copyright Law came into force on June 1, 2021. Pursuant to the New Copyright Law, the term of protection for copyrighted computer software shall be 50 years. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided in the Copyright Law of the PRC and related rules and regulations, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, take remedial action, and offer an apology, pay damages, etc.

Patent

According to the Patent Law of the PRC (Revised in 2020) (《中華人民共和國專利法》(2020年修訂)) promulgated by the SCNPC on October 17, 2020 and came into effect on June 1, 2021, and its Implementation Rules (Revised in 2023) (《中華人民共和國專利法實施細則》(2023年修訂)) promulgated by the State Council on June 15, 2001 and most recently amended on December 11, 2023 and took effect on January 20, 2024, the National Intellectual Property Administration of the PRC is responsible for administering patents in the PRC. There are three types of patents, “invention”, “utility” and “design”. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability.

Trademark

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and subsequently amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019 as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and amended on April 29, 2014. The Trademark Office of National Intellectual Property Administration handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. The PRC Trademark Law has adopted a “first-to-file” principle with respect to trademark registration.

Domain Name

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by MIIT on August 24, 2017 and taking into effect on November 1, 2017. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a “first come, first file” principle, where the corresponding detailed rules for domain name registration stipulate otherwise, such provisions shall prevail.

REGULATIONS

Regulations relating to Foreign Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on January 29, 1996 and was latest amended on August 5, 2008. Pursuant to these regulations and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the SAFE or its local counterpart is obtained.

SAFE promulgated the Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) on February 13, 2015, and amended on December 30, 2019, according to which, entities and individuals may apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, may directly review the applications and conduct the registration. SAFE promulgated the Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “**Circular 19**”) on March 30, 2015, and amended on December 30, 2019 and March 23, 2023. According to Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement, which means that the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution have been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise, and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and proceed with the review process with the banks. Furthermore, Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes: (i) directly or indirectly used for payments beyond the business scope of the enterprises or payments as prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations; (iii) directly or indirectly used for granting entrust loans in Renminbi (unless permitted by the scope of business), repaying interenterprise borrowings (including advances by the third-party) or repaying the bank loans in Renminbi that have been sub-lent to third parties; or (iv) directly or indirectly used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

The Circular of Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “SAFE Circular 13”) which became effective on June 1, 2015 and was amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》) (the “Circular 16”), was

REGULATIONS

promulgated by SAFE on June 9, 2016 and was amended on December 4, 2023. Pursuant to Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

The Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) was promulgated by the SAFE on October 23, 2019 and amended on December 4, 2023. This notice, among other things, allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (the “SAFE Circular 8”) promulgated and effective on April 10, 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc., for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

Regulations relating to Labor

According to the Labor Law (《勞動法》) of the PRC, or the Labor Law, which was promulgated by the SCNPC in July 1994, effective on January 1, 1995, and most recently amended in December 2018, an employer shall develop and improve its rules and regulations to safeguard the rights of its workers. An employer shall develop and improve its labor safety and health system, stringently implement national protocols and standards on labor safety and health, conduct labor safety and health education for workers, guard against labor accidents and reduce occupational hazards.

The Labor Contract Law (《勞動合同法》) of the PRC, which was promulgated by the SCNPC on June 29, 2007, effective on January 1, 2008, and most recently amended in December 2012, and the Implementation Regulations on Labor Contract Law (《勞動合同法實施條例》), promulgated and became effective on September 18, 2008, regulate both parties to a labor contract, namely the employer

REGULATIONS

and the employee, and contain specific provisions involving the terms of the labor contract. It is stipulated by the Labor Contract Law and the Implementation Regulations on Labor Contract Law that a labor contract must be made in writing. An employer and an employee may enter into a fixed-term labor contract, an unfixed term labor contract, or a labor contract that concludes upon the completion of certain work assignments, after reaching an agreement upon due negotiations. An employer may legally terminate a labor contract and dismiss its employees after reaching an agreement upon due negotiations with the employee or by fulfilling the statutory conditions. Labor contracts concluded prior to the enactment of the Labor Contract Law and subsisting within the validity period thereof shall continue to be honored. With respect to a circumstance where a labor relationship has already been established but no formal contract has been made, a written labor contract shall be entered into within one month from the effective date of the Labor Contract Law. In addition, the Labor Contract Law also imposes requirements on the use of employees of temp agencies, who are known in China as “dispatched workers.” Dispatched workers are entitled to equal pay with fulltime employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions. The Interim Provisions on Labor Dispatching (《勞務派遣暫行規定》), issued by the Ministry of Human Resources and Social Security of the People’s Republic of China, on January 24, 2014 and came into effect on March 1, 2014, requires the number of dispatched workers to not exceed 10% of the total number of employees.

Enterprises in China are required by PRC laws and regulations to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government from time to time at locations where they operate their businesses or where they are located. According to the Social Insurance Law (《社會保險法》) of the PRC and the Interim Regulations on Levying Social Insurance Premiums (《社會保險費徵繳暫行條例》), an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% or 0.2% per day, as the case may be. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the Regulations on Management of Housing Fund (《住房公積金管理條例》), an enterprise that fails to make housing fund contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

Regulations relating to Overseas Listing and M&A

On August 8, 2006, six PRC regulatory agencies, including MOFCOM, State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”), SAT, the SAMR, the CSRC and SAFE, issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “M&A Rules”) which were effective on September 8, 2006 and amended on June 22, 2009. Foreign investors shall comply with the M&A Rules when they purchase equity interests of a domestic company or subscribe the increased capital of a domestic company, and thus changing the nature of the domestic company into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in the PRC, purchase the assets of a domestic company and operate the assets; or when the foreign investors purchase the

REGULATIONS

asset of a domestic company, establish a foreign-invested enterprise by injecting such assets and operate the assets. The M&A Rules purport, among other things, to require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange.

On July 6, 2021, the General Office of the State Council, together with another regulatory authority, jointly promulgated the Opinions on Lawfully and Strictly Cracking Down Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》), among which, it emphasizes the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies, and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies, and provided that the special provisions of the State Council on overseas offering and listing by those companies limited by shares will be revised and therefore the duties of domestic industry competent authorities and regulatory authorities will be clarified.

On February 17, 2023, with the approval of the State Council, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Trial Measures”) and five supporting guidelines, which came into effect on March 31, 2023. According to the Trial Measures, (1) domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines; (2) if the issuer meets both of the following conditions, the overseas offering and listing shall be determined as an indirect overseas offering and listing by a domestic company: (i) any of the total assets, net assets, operating revenues or total profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer’s audited consolidated financial statements for the same period; (ii) its major operational activities are carried out in mainland China or its main places of business are located in mainland China, or the senior managers in charge of operation and management of the issuer are mostly Chinese citizens or are domiciled in mainland China; and (3) where a domestic company seeks to indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and where an issuer makes an application for offering and listing in an overseas market, the issuer shall submit filings with the CSRC within three business days after such application is submitted.

On the same day, the CSRC also held a press conference for the release of the Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which, among others, clarifies that (1) on or prior to the effective date of the Trial Measures, domestic companies that have already submitted valid applications for overseas offering and listing but have not obtained approval from overseas regulatory authorities or stock exchanges may reasonably arrange the timing for submitting their filing applications with the CSRC, and must complete the filing before the completion of their overseas offering and listing; (2) a six-month transition period will be granted to domestic companies

REGULATIONS

which, prior to the effective date of the Trial Measures, have already obtained the approval from overseas regulatory authorities or stock exchanges (such as the completion of hearing in the market of Hong Kong or the completion of registration in the market of the United States) and needn't to go through the regulatory procedure of overseas regulatory authorities or stock exchanges for offering and listing once again (such as the re-hearing in the market of Hong Kong), but have not completed the overseas listing; if domestic companies fail to complete the overseas listing within such six-month transition period, they shall file with the CSRC according to the requirements; and (3) the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with contractual arrangements which duly meet the compliance requirements, and support the development and growth of these companies by enabling them to utilize two markets and two kinds of resources.

On February 24, 2023, the CSRC released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Confidentiality Provisions"), which came into effect on March 31, 2023. The Confidentiality Provisions aim to expand the applicable scope of the regulation to indirect overseas offerings and listings by PRC domestic companies and emphasize the confidentiality and archive management duties of PRC domestic companies during the process of overseas offerings and listings. Pursuant to this Confidentiality Provisions, domestic joint-stock enterprises listed in overseas markets via direct offering and domestic operational entities of enterprises listed in overseas markets via indirect offering must obtain approval and complete filing or other requirements before they publicly disclose any documents and materials that contain state secrets or government work secrets or that, if divulged, will jeopardize China's national security or public interest, or before they provide such documents or materials to entities or individuals such as securities companies, securities service providers and overseas regulators.

Regulations relating to Anti-Monopoly

The PRC Anti-monopoly Law (《中華人民共和國反壟斷法》) was promulgated by SCNPC on August 30, 2007, took effect on August 1, 2008 and was amended on June 24, 2022 and such amendment took effect on August 1, 2022, the relevant operators of a concentration of undertakings which reaches the standard for declaration shall make an advance declaration to the anti-monopoly law enforcement authority under the State Council and it prohibits monopolistic conduct, such as entering into monopoly agreements, abuse of dominant market position and concentration of undertakings that have the effect of eliminating or restricting competition. The revised Anti-monopoly Law provides, among others, that business operators shall not use data, algorithms, technology, capital advantages and platform rules to exclude or limit competition, and also requires relevant government authorities to strengthen the examination of concentration of undertakings in areas related to national welfare and people's wellbeing, and enhances penalties for violation of the regulations regarding concentration of undertakings.

Monopoly Agreement

Competing business operators may not enter into monopoly agreements that eliminate or restrict competition, such as by boycotting transactions, fixing or changing the price of commodities, limiting the output of commodities, fixing the price of commodities for resale to third parties, among others, unless the agreement will satisfy the exemptions under the PRC Anti-monopoly Law, such as

REGULATIONS

improving technologies, increasing the efficiency and competitiveness of small and medium-sized undertakings, or safeguarding legitimate interests in cross-border trade and economic cooperation with foreign counterparts. Sanctions for violations include an order to cease the relevant activities, and confiscation of illegal gains and fines (from 1% to 10% of sales revenue from the previous year, or up to RMB5,000,000 if no sales revenue was made from the previous year, or up to RMB3,000,000 if the intended monopoly agreement has not been performed).

On March 10, 2023, the SAMR further promulgated the Provisions on the Prohibition of Monopoly Agreements (《禁止壟斷協議規定》), which came into effect on April 15, 2023 and superseded the Interim Provisions on the Prohibition of Monopoly Agreements issued on June 26, 2019, to further strengthen the supervision and enforcement of monopoly agreements.

Abuse of Dominant Market Position

A business operator with a dominant market position may not abuse its dominant market position to conduct acts, such as selling commodities at unfairly high prices or buying commodities at unfairly low prices, selling products at prices below cost without any justifiable cause, and refusing to trade with a trading party without any justifiable cause. Sanctions for violation of the prohibition on the abuse of dominant market position include an order to cease the relevant activities, confiscation of the illegal gains and fines (from 1% to 10% of sales revenue from the previous year). In case of serious violation of these regulations which is particularly serious, has particularly adverse impact, or causes particularly serious consequences, the SAMR may determine the specific fines at two to five times the fines stipulated aforesaid.

On March 10, 2023 the SAMR issued the Provisions on the Prohibition of Acts of Abuse of Dominant Market Positions (《禁止濫用市場支配地位行為規定》), which came into effect on April 15, 2023 and superseded the Interim Provisions on the Prohibition of Acts of Abuse of Dominant Market Positions issued on June 26, 2019, to further prevent and prohibit the abuse of dominant market positions.

Concentration of Undertakings

Where a concentration of undertakings reaches the declaration threshold stipulated by the State Council, a declaration must be approved by the anti-monopoly authority before the parties implement the concentration. Concentration refers to (1) a merger of undertakings; (2) acquiring control over other undertakings by acquiring equities or assets; or (3) acquisition of control over, or the possibility of exercising decisive influence on, an undertaking by contract or by any other means. If business operators fail to comply with the mandatory declaration requirement, the anti-monopoly authority is empowered to terminate and/or unwind the transaction, dispose of relevant assets, shares or businesses within certain periods and impose fines of up to 10% of sales revenue from the previous year, or up to RMB5,000,000 if the concentration of undertakings does not have an effect of excluding or limiting competition.

Furthermore, on February 7, 2021, the Anti-Monopoly Committee of the State Council promulgated the Anti-Monopoly Guidelines for the Platform Economy Sector (《關於平台經濟領域的反壟斷指南》), or the Anti-Monopoly Guidelines, aiming to provide guidelines for supervising and prohibiting the monopolistic conducts in connection with the internet platform business operations and further elaborate on the factors for recognizing such monopolistic conducts in the internet platform

REGULATIONS

industry. In particular, pursuant to the Anti-Monopoly Guidelines, the methods of an internet platform collecting, using the privacy information of the internet users may also be one of the factors to be considered for analyzing and recognizing the monopolistic conducts in the internet platform industry. For example, whether the relevant business operator compulsorily collects unnecessary user information may be considered to analyze whether there is a bundled sale or additional unreasonable trading condition, which is one of the behaviors constituting the abuse of dominant market position. In addition, the factors including, among other things, based on the big data and algorithms, whether differentiated transaction prices or other transaction conditions are implemented for consumers with different payment ability, consumption preferences and usage habits, may be used to analyze whether there is a differentiated treatment, which is also one of the behaviors constituting abuse of dominant market position. Furthermore, whether the relevant business operators are required to “**choose one**” among the internet platform and its competitive platforms may be considered to analyze whether such internet platform operator with dominant market position abuses its dominant market position and excludes or restricts market competition, etc.

Regulations relating to Dividend Distribution

The principal regulations governing distribution of dividends of wholly foreign-owned enterprise, or WFOE, include the PRC Company Law, the Foreign Investment Law and the Implementing Regulation for the Foreign Investment Law of the PRC . Under these regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with the PRC accounting standards and regulations. In addition, Foreign invested enterprises in the PRC are required to allocate at least 10% of their accumulated profits each year, if any, to fund certain reserve funds unless these reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends.

Regulations Relating to Online Trading

In January 2014, the SAIC promulgated the Administrative Measures for Online Trading, or Online Trading Measures (《網絡交易管理辦法》), which became effective in March 2014, to regulate all operating activities for products sale and services provision via the internet (including mobile internet). It stipulates the obligations of online products operators and services providers and certain special requirements applicable to third-party platform operators. The MOFCOM promulgated the Provisions on the Procedures for Formulating Transaction Rules of Third Party Online Retail Platforms (Trial) (《網絡零售第三方平台交易規則制定程序規定(試行)》) in December 2014, which became effective in April 2015, to guide and regulate the formulation, revision and enforcement of transaction rules by online retail third-party platforms operators. These measures impose more stringent requirements and obligations on third-party platform operators. For example, online business operators are required to issue invoices to consumers for online products and services. Consumers are generally entitled to return products purchased from online business operators within seven days upon receipt, without giving any reason. Online business operators and third-party online marketplace operators are prohibited from collecting any information on consumers and business operators, or disclosing, selling or providing any such information to any third party, or sending commercial electronic messages to consumers, without their consent. Fictitious transactions, deletion of adverse comments and technical attacks on competitors’ websites are prohibited as well. In addition, third-party online marketplace operators are required to examine and verify the identifications of the online business operators and set up and keep relevant records for at least two years. Moreover, any third-party online marketplace operator that simultaneously engages in online trading for products and services should clearly

REGULATIONS

distinguish itself from other online business operators on the marketplace platform. On March 15, 2021, the SAMR promulgated the Measures for the Supervision and Administration of Online Trading (《網絡交易監督管理辦法》) (the “New Online Trading Measures”), which took effect on May 1, 2021, and was latest amended on March 18, 2025 to replace the Administrative Measures for Online Trading (《網絡交易管理辦法》). The New Online Trading Measures further regulates and refines the e-commerce supervision system, including, but not limited to (i) clarifying the characteristics and responsibilities of e-commerce operators; (ii) refining the requirements of the collection and use of personal information, expressly stating that consumers cannot be forced directly or in any disguised manner to consent to the collection or use of personal information that is not directly related to the business activities by means of a general authorization, default authorization, bundling with other authorization, and discontinuing installation, etc., and clarifying the obligation of the e-commerce operators and their staff to keep the personal information collected confidential; (iii) strengthening the protection of consumer rights, for example, if e-commerce operators provide services with auto-renewable subscriptions, e-commerce operators shall remind the consumers in a conspicuous way before each automatic renewal and let the consumers make the decisions; and (iv) reinforcing the liabilities of e-commerce operators.

In August 2018, the SCNPC promulgated the E-commerce Law (《電子商務法》), effective on January 1, 2019, which aims to regulate the e-commerce activities conducted within the territory of the PRC. Pursuant to the E-commerce Law, an e-commerce platform operator shall (i) collect, verify and register the truthful information submitted by the third-party merchants that apply to sell products or provide services on its platform, including the identities, addresses, contacts and licenses, establish registration archives and update such information on a regular basis; (ii) submit the identification information of the third-party merchants on its platform to market regulatory administrative department as required and remind the third-party merchants to complete the registration with market regulatory administrative department; (iii) submit identification information and tax-related information to tax authorities as required in accordance with the laws and regulations regarding the administration of tax collection and remind the individual third-party merchants to complete the tax registration; (iv) record and retain the information of the products and services and the transaction information for no less than 3 years; (v) display the platform service agreement and the transaction rules or links to such information on the homepage of the platform; (vi) display the noticeable labels regarding the products or services provided by the platform operator itself on its platform, and take liabilities for such products and services; (vii) establish a credit evaluation system, display the credit evaluation rules, provide consumers with accesses to make comments on the products and services provided on its platform, and restrain from deleting such comments; and (viii) establish intellectual property protection rules, and take necessary measures when any intellectual property holder notify the platform operator that his intellectual property rights have been infringed. An e-commerce platform operator shall take joint liabilities with the relevant third-party merchants on its platform and may be subject to warnings and fines up to RMB2,000,000 where (i) it fails to take necessary measures when it knows or should have known that the products or services provided by the third-party merchants on its platform do not meet the personal or property safety requirements or such third-party merchants’ other acts may infringe on the lawful rights and interests of the consumers; or (ii) it fails to take necessary measures, such as deleting and blocking information, disconnecting, terminating transactions and services, when it knows or should have known that the third-party merchants on its platform infringe any intellectual property rights of any other third party. With respect to products or services affecting the consumers’ life and health, if an e-commerce platform operator fails to verify the third-party merchants’

REGULATIONS

qualification or fails to fulfill its obligations to safeguard the safety of consumers, which results in damages to the consumers, it shall take corresponding liabilities and may be subject to warnings and fines up to RMB2,000,000.

Pursuant to the Anti-unfair Competition Law (《反不正當競爭法》) promulgated by the SCNPC on September 2, 1993, last amended by the SCNPC on June 27, 2025 and coming into effect on October 15, 2025, the platform operators are required to incorporate fair competition provisions in their platform service agreements and transaction rules and take necessary measures to promptly prohibit operators' unfair competition practices on their platforms. Additionally, the Anti-unfair Competition Law prohibits platform operators from using data, algorithms, technology or platform rules to disrupt or impede the normal business operations of other operators and further specifies the prohibited behaviors, such as obtaining and using data legally held by other operators through fraud and other improper means, and abusing platform rules to carry out malicious transactions. Moreover, platform operators are required not to compel operators on their platforms to sell goods at prices below cost, thereby disrupting the order of fair competition. Failure to comply with the Anti-unfair Competition Law would subject business operators to various administrative penalties, such as imposition of fines, confiscation of illegal gains and an order to cease business activities, and payment of compensatory damages.

On May 2024, the SAMR issued the Interim Measures on Online Anti-unfair Competition (《網絡反不正當競爭暫行規定》) (“the Interim Measures”), which came into effect on September 1, 2024. Regarding platform operators, the Interim Measures highlight the platform operators' responsibilities and require platforms operators to strengthen the management of competition behavior within the platform. Necessary measures should be taken to deal with unfair competition behavior within the platform, relevant records should be kept, and timely reports should be made to the market supervision authorities. In addition, the Interim Measures prohibit platforms from abusing their competitive advantages to obstruct the normal operation of network products or services of other operators, using service agreements or transaction rules to unreasonably restrict the transactions of operators within the platform, or charging unreasonable service fees to operators within the platform. If a platform operator fails to comply with the requirements of the Interim Measures, it may be subject to administrative penalties including rectification orders, fines and orders to suspend operation.

Regulations relating to Mobile Internet Applications Information Services

Mobile Internet applications (the “APPs”) and the Internet application store (the “APP Store”) are especially regulated by the Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) (the “APP Provisions”), which was promulgated by the CAC on June 28, 2016 and became effective on August 1, 2016 and was further amended in June 2022. The APP Provisions sets forth the relevant requirements on the APP information service providers and the APP Store service providers. The CAC and its local branches shall be responsible for the supervision and administration of nationwide and local APP information respectively.

The APP information service providers shall satisfy relevant qualifications required by laws and regulations, strictly fulfill their responsibilities of information security management, and perform the following duties: (1) verify identities with the registered users through mobile phone numbers etc.; (2) establish and improve the mechanism for user information security protection, follow the principles of “legality, appropriateness, necessity and good faith” in collection and use of personal information, expressly state the purpose, methods and scope of information collection, and obtain the users'

REGULATIONS

consent; (3) establish and improve the verification and management mechanism for the information content; adopt proper sanctions and measures such as warning, limiting functions, suspending updates, and closing accounts, for releasing illegal information content, as appropriate, keep records and report to the competent department; (4) according to the law, protect and safeguard users' "rights to know and rights to choose" during installation or use; do not turn on the functions of collecting geographic location, reading address books, or using cameras or recordings, without express statement to the users and the consent of the users; do not turn on functions irrelevant to the services; do not tie up and install irrelevant APPs; (5) respect and protect intellectual property rights; do not produce or release APPs which violate others' intellectual property rights; and (6) keep records of user log information.

Regulations relating to Consumer Protection and Product Quality

The Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法》) promulgated by SCNPC, which was latest amended on October 25, 2013 and effective on March 15, 2014, sets out the obligations of business operators and the rights and interests of the consumers in China. Pursuant to this law, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage and term of validity of the commodities. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacement of commodities, repairing, ceasing damages, compensation, and restoring reputation, and even subject the business operators to criminal penalties. Where the operators of the online trading platforms are unable to provide the real names, addresses and valid contact details of the sellers or service providers, the consumers may also claim damages to the providers of the online trading platforms. Operators of online trading platforms that clearly knew or should have known that sellers or service providers use their platforms to infringe upon the legitimate rights and interests of consumers but fail to take necessary measures must bear joint and several liabilities with the sellers or service providers. Moreover, if business operators deceive consumers or knowingly sell substandard or defective products, they should not only compensate consumers for their losses, but also pay additional damages equal to three times the price of the goods or services.

The Product Quality Law (《產品質量法》) issued by SCNPC on February 22, 1993, which was latest amended on December 29, 2018, applies to all production and sale activities in China. Pursuant to this law, products offered for sale must satisfy relevant quality and safety standards. Enterprises may not produce or sell counterfeit products in any fashion, including forging brand labels or giving false information regarding a product's manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities. Where a defective product causes physical injury or damage of property, the victim may claim compensation from the manufacturer or from the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer. Similarly, if the manufacturer pays compensation and it is the seller that should bear the liability, the manufacturer has a right of recourse against the seller.

REGULATIONS

Regulations relating to Standards for Industrial Products

The regulatory framework for standards of industrial products in PRC is governed by various laws and regulations, including but not limited to the Standardization Law of the People's Republic of China (《中華人民共和國標準化法》) and Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》). Pursuant to Standardization Law of the People's Republic of China (《中華人民共和國標準化法》), promulgated by the SCNPC on November 4, 2017 and came into effect on January 1, 2018, the standards shall include national standards, industry standards, local standards, community standards, enterprise standards. National standards are divided into mandatory standards and recommended standards, while industry standards and local standards are recommended standards. Mandatory standards must be complied with. The state encourages the adoption of recommended standards. Pursuant to Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), industrial products that may endanger human health and personal or property safety must comply with national standards and industry standards that ensure the protection of human health and personal or property safety. A wide variety of industrial products sold through our platform, and different industrial products may be subject to different national standards or industry standards.

Regulations relating to Internet Advertising

The SAMR is the government agency responsible for regulating advertising activities in the PRC. According to PRC laws and regulations, companies that engage in advertising activities must obtain a business license from the SAMR or its local branches which specifically includes operating an advertising business within its business scope. The business license of an advertising company is valid for the duration of its existence, unless the license is suspended or revoked due to a violation of any relevant law or regulation. PRC advertising laws and regulations including the Advertisement Law of PRC (2021 Revision) (《中華人民共和國廣告法》(2021修訂)), promulgated by SCNPC on April 29, 2021 and became effective on the same day, set forth certain content requirements for advertisements in the PRC including, among other things, prohibitions on false or misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest. Advertisers, advertising agencies, and advertising distributors are required to ensure that the content of the advertisements they prepare or distribute is true and in full compliance with applicable law. In providing advertising services, advertising operators and advertising distributors must review the supporting documents provided by advertisers for advertisements and verify that the content of the advertisements complies with applicable PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval, advertising distributors are obligated to verify that such censorship has been performed and approval has been obtained. The release or delivery of advertisements through the internet must not impair the normal use of the network by users. The advertisements released in pop-up form on a webpage and other forms must show the close flag prominently and ensure one-click close. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to eliminate the effect of illegal advertisement. In circumstances involving serious violations, the SAMR or its local branches may revoke the violators' licenses or permits for their advertising business operations.

In July 2016, the State Administration of Industry and Commerce issued the Interim Measures for the Administration of Internet Advertising (《互聯網廣告管理暫行辦法》) to regulate internet advertising activities. On February 25, 2023, the SAMR released the Administrative Measures for Internet Advertising (《互聯網廣告管理辦法》), which came into effect on May 1, 2023 and

REGULATIONS

superseded Interim Measures for the Administration of Internet Advertising (《互聯網廣告管理暫行辦法》). The Administrative Measures for Internet Advertising (《互聯網廣告管理辦法》) set out, among other things, the following requirements for Internet advertising activities:

- Internet advertisements must be visibly marked as “advertisement” while paid-search results must be obviously distinguished from natural search results; and
- if the Internet advertisements are published by means of algorithmic recommendation or other technologies, the rules related to algorithm recommendation services and advertising records shall be included in the advertising archives.

According to the Administrative Measures for Internet Advertising, the advertisers are responsible for the authenticity of the content of internet advertisements, while the Internet advertisement publishers and advertisement agencies are required to establish, improve, and implement registration, review, and archive management systems for Internet advertising businesses, which include verifying and registering advertiser information, verifying supporting documents and advertisements content, and allocating advertising review personnel familiar with advertising laws and regulations or establish advertising review bodies.

In addition, the Administrative Measures for Internet Advertising require Internet platform operators providing Internet information services to take measures to prevent and stop illegal advertisements. Such measures include recording and storing the real identity information of users who publish advertisements for at least three years, monitoring and investigating the content of advertisements, and taking measures to stop illegal advertisements. Internet platform operators are also required to establish effective complaint and reporting mechanisms, cooperate with market regulatory departments in investigating illegal conduct, and use measures such as warnings, suspending or terminating services for users who publish illegal advertisements.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

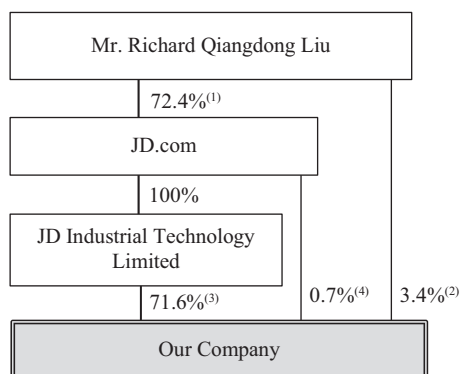
As of the Latest Practicable Date, JD.com, through (i) JD Industrial Technology Limited, its wholly-owned subsidiary, (ii) JD Industrial Technology LLC, the only common unit with voting rights of which was held by JD Industrial Technology Limited, and (iii) Magical Brush Limited, which was wholly-owned by a limited liability partnership which, in turn, was held as to approximately 40.9% by another subsidiary of JD.com, was indirectly interested in 1,944,222,154 Shares, representing an aggregate of approximately 78.84% of our total issued share capital. For further information on JD Industrial Technology LLC and Magical Brush Limited, please refer to the section headed “History, Reorganization and Corporate Structure—Pre-IPO Investments” of this document. Immediately after the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans), JD.com, through JD Industrial Technology Limited, JD Industrial Technology LLC and Magical Brush Limited, will control an aggregate of approximately 72.34% of our total issued share capital. Accordingly, our Company will remain as a subsidiary of JD.com after the Listing.

Further, as of the Latest Practicable Date, Mr. Richard Qiangdong Liu (劉強東), the chairman of JD.com since inception and served as chief executive officer of JD.com until April 2022, beneficially owns (i) 305,630,780 Class B ordinary shares held by Max Smart Limited, (ii) 11,487,275 American Depositary Shares (each representing two Class A ordinary shares), representing 22,974,550 Class A ordinary shares, held by Max Smart Limited, and (iii) 17,000,000 Class A ordinary shares that Mr. Richard Qiangdong Liu had the right to acquire upon exercise of options that shall have become vested within 60 days after the Latest Practicable Date. As of the Latest Practicable Date, Mr. Richard Qiangdong Liu has not exercised his right to acquire such Class A ordinary shares. In addition, Fortune Rising Holdings Limited, of which Mr. Richard Qiangdong Liu is the sole shareholder and the sole director, held 16,199,296 Class B ordinary shares as of the Latest Practicable Date. Therefore, Mr. Richard Qiangdong Liu controls approximately 72.4% of the aggregate voting power of JD.com, including 3.6% of the aggregate voting power of JD.com that he may exercise on behalf of Fortune Rising Holdings Limited, as of the Latest Practicable Date. In addition, Max I&P Limited, a holding vehicle controlled by Mr. Richard Qiangdong Liu who is its sole director and the settlor of the trust holding all of its issued share capital, held 90,629,636 Shares issued pursuant to the share awards already vested to Mr. Richard Qiangdong Liu under the Pre-IPO ESOP, representing approximately 3.68% of our total issued share capital as of the Latest Practicable Date. Therefore, Mr. Richard Qiangdong Liu, together with Max Smart Limited, Fortune Rising Holdings Limited and Max I&P Limited, will be deemed to be a Controlling Shareholder after the Listing, and together with JD.com, JD Industrial Technology Limited, Magical Brush Limited and JD Industrial Technology LLC, will constitute a group of Controlling Shareholders of our Company. Immediately after the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans), our Controlling Shareholders will control an aggregate of approximately 75.71% of our total issued share capital.

JD.com is a company incorporated in the BVI on November 6, 2006 and subsequently redomiciled to and registered by way of continuation in the Cayman Islands on January 16, 2014 as an exempted company under the laws of the Cayman Islands. JD.com’s shares are listed on the Main Board (stock codes: 9618 (HKD counter) and 89618 (RMB counter)) under Chapter 19C of the Listing Rules and its ADSs are listed on NASDAQ under the symbol “JD”. JD.com is a leading supply chain-based technology and service provider.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The following diagram illustrates the ultimate beneficial interest of our Controlling Shareholders' voting rights for resolutions in general meetings with respect to matters, immediately following the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised, the shares to be issued pursuant to JD.com's share incentive plan are not exercised and excluding shares to be issued under the Share Incentive Plans):



Notes:

- (1) Represents (i) 305,630,780 Class B ordinary shares held by Max Smart Limited, (ii) 11,487,275 American Depositary Shares (each representing two Class A ordinary shares), representing 22,974,550 Class A ordinary shares, held by Max Smart Limited and (iii) 17,000,000 Class A ordinary shares that Mr. Richard Qiangdong Liu had the right to acquire upon exercise of options that shall have become vested within 60 days after the Latest Practicable Date. As of the Latest Practicable Date, Mr. Richard Qiangdong Liu has not exercised his right to acquire such Class A ordinary shares. In addition, Fortune Rising Holdings Limited, of which Mr. Richard Qiangdong Liu is the sole shareholder and the sole director, holds 16,199,296 Class B ordinary shares as of the Latest Practicable Date. Mr. Richard Qiangdong Liu shall control approximately 72.4% of the aggregate voting power of JD.com, including 3.6% of the aggregate voting power of JD.com that he may exercise on behalf of Fortune Rising Holdings Limited as of the Latest Practicable Date.
- (2) Represents the 90,629,636 Shares issued to Max I&P Limited, a holding vehicle controlled by Mr. Richard Qiangdong Liu (who is its sole director and the settlor of the trust holding all of its issued share capital), for the share awards already vested to Mr. Richard Qiangdong Liu pursuant to the Pre-IPO ESOP.
- (3) Represents (i) 1,906,574,307 Shares directly held by JD Industrial Technology Limited and (ii) 17,615,827 Shares directly held by JD Industrial Technology LLC, the only common unit with voting rights of which is held by JD Industrial Technology Limited.
- (4) Represents 20,032,020 Shares directly held by Magical Brush Limited which was wholly owned by a limited liability partnership that was in turn held as to approximately 40.9% by another subsidiary of JD.com as of the Latest Practicable Date.

Clear delineation of business

We offer industrial supply chain technology and services to our key accounts, SMEs and others, 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. See the section headed "Business" in this document for further details.

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. A summary of these areas is set out below:

Sales of industrial products business

We engage in sales of industrial products, where we procure industrial products from suppliers and sell them directly to customers. Our suppliers are manufacturers, distributors, and resellers of industrial products, whereas our customers are mainly key accounts, SMEs and others.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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.

The products of our Group and JD Group are categorized according to strict application of various factors. Most industrial products are easily identifiable as applicable in industrial use cases with regards to various factors such as design, size, packaging, capacity, and other product specifications; these clearly point towards industrial use cases and facilitate the easy delineation of products between our Group and JD Group and the clear separation and attribution of products between the two.

Furthermore, most industrial products fulfill specifications of national standards or industry standards. The delineation of products makes reference to the specifications of national standards and industry standards, for instance national standards GB/T 32204-2015 Industrial Process Calibrator and GB 13486-2014 Portable Heating Catalytic Methane Alarm Detector, and industry standards QB/T 2613 Tools for explosive atmospheres, etc.

There may be different national standards and industry standards applicable to the same broad group of products; For example, in the category of shoes and gloves, our Group's offerings include but are not limited to anti-puncture gloves and shoes, fireproof gloves, protective gloves and shoes, anti-static gloves and shoes, anti-radiation gloves and shoes, etc. which serve specific industrial and safety functions and for which different national and industry standards are applicable.

In the case of products where there are no applicable national or industry standards, the products are categorized with regards to various factors including use cases and specifications. For instance, while shelves used in storage supplies do not have any industry-mandated specifications, these products are categorized based on their use cases, size and weight capacities. Shelves are categorized as industrial products due to their key unique designs and functions including clear industrial use case (e.g. warehouse or transportation of large volume), larger size (e.g. suitable for warehousing size with large storage volume), and high weight capacity (e.g. 30 kilograms or above), which set them apart from the home storage supplies products sold by JD Group in terms of use case (e.g. home storage use), size (e.g. suitable for living room) and weigh capacity (e.g. relatively small for home use). As a result, certain products that may involve various use cases (including sub-set products under the categories of storage supplies, respiratory protection products, cleaning supplies, bathroom supplies etc.), if they do not have any industry-mandated specifications, are categorized according to the aforementioned factors and clearly delineated from JD Group. In any event, the revenue of these products categories of storage supplies, respiratory protection products, cleaning supplies and bathroom supplies comprise an immaterial proportion (i.e. less than 0.5%) of the total revenue of all product categories sold through direct sales and marketplace.

Moreover, in the case of any conflict of product categorization, JD Group and our Group will assess the categorization of products based on factors like nature, usage, specifications and make a mutual determination on the categorization of such products together, such that these products are accurately categorized based on the factors and principles set out above. Our Group has an integrative services department responsible for matters including quality control and compliance, product and categorization management, and finance personnel, both internally within our Group and externally in

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

collaboration with JD Group. The industrial products released on the interface of the product management system are regularly reviewed. Where there are possible conflicts or uncertainties regarding the categorization of certain products, a discussion and assessment may be applied for. The product management groups of both our Group and JD Group will make an assessment through meeting discussion and reach a consensus, and escalate and record the agreed results to the quality control and compliance department of both our Group and JD Group, whereby it will form the basis for business operations and accounting treatment going forward. Moreover, China Insights Consultancy, the industry consultant of the Company, has confirmed that the possibility of a short-term significant increase in products where there are no applicable national or security standards is remote. As such, the Company considers that the aforementioned measures are able to ensure accurate and timely categorization and delineation of products between our Group and JD Group in the long run.

In addition to the bases above, the product management system of suppliers has certain controls in place on the initial registration of suppliers and products. Prior to the categories of products being published, the platform ecosystem department of JD Group reviews and approves the categories based on assessing whether the supplier is correctly categorized as an industrial products provider or others. The operation management of the product management system of suppliers also has clear guidelines on various categories of industrial products. The categories are clearly defined with reference to industry standards, key specifications, and use cases, and clearly delineates the scope of industrial products to differentiate with those of JD Group in order to guide the suppliers in correctly and accurately categorizing these products. Prior to releasing industrial products, suppliers are assessed on the specifications of the goods. After industrial products are released on the interface of the product management system they are monitored by a professional review team based on their categories and product details. Products that are not correctly categorized or not within the specifications of their stated category will be rejected from being listed on the product management system in order to maintain accuracy and avoid misleading customers. The Group also conducts regular trainings with its monitoring team in order to ensure the quality of its product monitoring.

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. See the sections "Connected Transactions—Partially Exempt Continuing Connected Transactions" and "Connected Transactions—Non-Exempt Continuing Connected Transactions" in this document and "—Independence from Controlling Shareholders—Operational Independence" in this section for more details.

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) 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.

Other services

Our Group provides a full suite of services. First, our Group operates its marketplace in relation to industrial products where third-party merchants operate stores on its marketplace and offer industrial

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

products. Second, our Group provides digital marketing services for manufacturers, distributors, resellers of industrial products, and other advertisers. Third, our Group provides our customers with technology and other services to empower their industrial supply chain digital transformation.

i. Marketplace

- JD Group and our Group have clear guidelines and registration systems of third-party merchants in place to ensure that the third-party merchants on our Group's marketplace can only register for one category of products they primarily sell and therefore the registration of third-party merchants will not overlap between JD Group and our Group. For example, a third-party merchant primarily selling industrial products (based on the results of a questionnaire that is required to be filled out at the time of registration) will be categorized as an industrial products provider and therefore registered on our Group's marketplace and enters into a contractual relationship with our Group.
- In addition to the registration system of third-party merchants, our Group has other guidelines and systems in place to check the registration status of industrial products providers, which is mainly conducted through periodic checking and monitoring of the marketplace by our Group's platform ecosystem department. JD Group and our Group have a platform ecosystem department in charge of monitoring the categorization of third-party merchants between different business groups, further facilitating the correct categorization of third-party merchants. After third-party merchants are registered, their GMV is monitored by the platform ecosystem department on a periodic basis (half-yearly): in the event the majority of GMV (which is determined where the GMV of industrial products was more than 50% of the total GMV of such merchant or where GMV of industrial products was the single largest category of GMV) originating from sales of third-party merchants registered with our Group is from non-industrial products, the merchant will be re-categorized and will contract with JD Group. Going forward, it is expected that the majority of GMV will be determined by the GMV of industrial products in the latest half year or full year being more than or equal to 50% of total GMV. In the same vein, in the event that the majority of GMV originating from sales of third-party merchants not registered with our Group is from industrial products, these third-party merchants will be re-categorized and will contract with our Group. The re-categorization is streamlined and processed on a periodic basis.
- Theoretically, a third-party merchant primarily selling industrial products and registered with our Group can also sell non-industrial products – in such theoretical case, the commissions earned from third-party merchants registered with our Group for sales of both industrial and non-industrial products will all be attributed to our Group. Notwithstanding the foregoing, for the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the commissions from third-party merchants registered with our Group for sales of non-industrial products make up a relatively immaterial proportion of the total commissions from all sales of third party merchants registered with our Group, and represent an even more miniscule proportion of the total commissions from all sales of third party merchants registered with JD Group. Similarly, the commissions from third-party merchants registered with JD Group for sales of industrial products make up or represent an immaterial proportion of the total commissions of the aforementioned groups.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

ii. *Technology and other services*

- Our Group offers technology and other services to our customers. These services include supply chain and inventory management solutions, as well as solutions that empower our customers' industrial supply chain digital transformation. By leveraging proprietary technologies and sector know-how, our Group recognizes revenues from provision of these services to our customers.
- On the other hand, JD Group is engaged in the provision of supply chain-based technologies and services that are unrelated to industrial products and services. With respect to the provision of supply chain-based technologies and services, JD Group provides a variety of service solutions to third parties covering from upstream manufacturing and procurement, logistics, distribution and retail services to business partners and end customers. It provides retail technology services and serves customers through its other technology initiatives (which include a technology service platform Kepler which provides comprehensive services for partners to conduct online retail leveraging traffic on third party channels), enabling its partners to access multiple platforms. For the avoidance of doubt, our Group is not engaged in the logistics and distribution of our industrial products to end customers; we engage third-party service providers and JD Group to provide these services. As such, JD Group is not engaged in the provision of any industrial supply chain technology and service business similar to those of our Group. The industrial supply chain technology and service business is intended to only be carried out by our Group.

iii. *Digital marketing services*

- While both our Group and JD Group offer digital marketing services, the digital marketing services operated by our Group are different from the ones operated by JD Group. The customers who receive digital marketing services provided by our Group are advertisers demanding industrial products/services related marketing activities, while JD Group focuses on advertisers with needs for marketing activities related to non-industrial products and services. While our Group and JD Group cooperate on provision of marketing services as set out in the subsection headed "Connected Transactions—Non-Exempt Continuing Connected Transactions—10. Marketing Services Framework Agreement", the focus of the respective marketing services provided are clearly delineated from one another.

On the basis of the differences as set forth above, we consider that apart from their interest in our Company, our Controlling Shareholders and our Directors do not currently control a business similar to the principal business of our Group that competes or is likely to compete, either directly or indirectly, with our Group's business.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates after the Listing.

Management independence

Our business is managed and conducted by our Board and senior management. Our Board comprises of one executive Director, two non-executive Directors and three independent non-executive Directors.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The Directors are of the view that our Board and our senior management are capable of operating our business and managing all actual or potential conflicts of interest independently of JD Group for the following reasons:

- Except for Mr. Richard Qiangdong Liu, there will not be any overlap between JD Group and our Company in terms of directors and senior management. Mr. Richard Qiangdong Liu is a current non-executive Director of our Group, and provides strategic advice to our Board and does not have any executive positions with, or be involved in the day-to-day management and operations of, our Company's business. See the section headed "Directors and Senior Management" in this document for his roles within JD Group.
- The executive Director and the members of our senior management are responsible for the day-to-day management of our business and none of them holds any directorships and / or other roles within JD Group.
- All of our independent non-executive Directors are independent of JD Group and are professional parties having extensive experience in their respective areas of expertise. See the section headed "Directors and Senior Management" in this document for more details. Our independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinions. None of our independent non-executive Directors are directors of JD Group or otherwise connected with JD Group in any manner that may affect their independent judgment or independence as required under the Listing Rules.
- Each Director is aware of his or her fiduciary duties as a director which require, among others, that he or she acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his or her personal interests. For the avoidance of doubt, the Directors' interest in JD.com (if any) will not compromise their independence of judgment in discharging their fiduciary duty as directors of our Company. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall not vote and shall not be counted in the quorum in respect of such transactions. See subsection headed "—Corporate Governance Measures" for other corporate governance measures we have adopted to manage conflicts of interest, if any, between our Group and our Controlling Shareholders.

Based on the above, our Directors believe that our business is managed independently of our Controlling Shareholders.

As of the Latest Practicable Date, Mr. Chunzheng Song, the executive Director of our Company, held share awards in JD.com under the applicable share incentive plan. Since his share awards only represent less than 0.05% of equity interest and voting power of JD.com and he does not hold any directorships and/or senior management roles within JD.com, our Company does not believe that his interest in JD.com constitutes material interest that compromises his independence of judgment in discharging his fiduciary duties as the executive Director of our Company and therefore requires him to abstain from voting at the Board meetings in respect of matters involving JD Group after Listing. For matters where Mr. Richard Qiangdong Liu may have actual or potential conflicts of interests, he will abstain from voting on the relevant board resolutions in compliance with the articles of the association of our Company. For further details of their interest in JD.com and their relative immateriality, please refer

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

to “Statutory and General Information—Further Information about Our Directors—Disclosure of Interests” in Appendix IV to this document.

Operational independence

Save as disclosed in the sections headed “Business—Intellectual Property”, “Business—Licenses, Approvals and Permits” and “Connected Transactions—Exempt Continuing Connected Transactions—1. IP Licensing Framework Agreement” in this document, our Group holds all material licenses and owns all material intellectual properties (or rights to use intellectual properties) and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. Apart from (i) certain back-office administrative support services to our Group (including but not limited to cloud services, internet data center related services, provision of servers, information technology support services and maintenance, customer services (which 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.), 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 our 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 as set out in the subsection headed “Connected Transaction—Non-Exempt Continuing Connected Transactions—13. Shared Services Framework Agreement”, we have a separate management team and separate functional departments for essential administrative functions, including accounting and internal audit departments which operate independently from JD Group. We have also adopted a set of internal control procedures to maintain effective and independent operation of our business.

The amount of revenue generated from transactions with JD Group and its associates (including marketing and technology services provided to JD Group, products provided to JD Group, and services provided to JD Technology, as shown in Note 34 of Appendix I of this document) was RMB368.50 million, RMB488.00 million, RMB625.49 million and RMB379.01 million for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, representing 2.61%, 2.81%, 3.07% and 3.70% of the revenue of our Group for the same periods.

We have independent access to our customers and an independent management team to operate our business. To the best knowledge of our Directors, save in respect of the ongoing services provided to us, and expected to continue to be provided to us, by JD Group and its associates as further described in the section headed “Connected Transactions” in this document, all of our suppliers are independent third parties.

Given our close business relationship with JD Group, we have entered into a number of transactions with JD Group which constitute the framework for our business cooperation with JD Group. The transactions between us and JD Group constitute a significant proportion of our business transactions and collaborative arrangements. See the section headed “Connected Transactions” in this document for further details of and the reasons for entering into these transactions.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Industrial Product Sales Agency Framework Agreement

JD Group will act as a pass-through agent of our Group for the sale of industrial products to certain customers (including key accounts, SMEs and others).

Customers (including key accounts, SMEs and others) usually buy a wide range of products from JD Group, and industrial products are only a portion of the entire products procured by such customers. For example, key accounts may include large enterprises, who by nature and due to their internal procurement procedures, prefer to enter a single contract with JD Group covering a wide spectrum of services and products, despite negotiation of the underlying products sales being conducted with our Group. Given that these customers have already signed procurement agreements or make purchase orders directly with JD Group and would prefer a single point of contact (instead of two points of contact split between JD Group and our Group), JD Group acts as a pass-through agent of our Group. Key accounts and SMEs that have signed procurement contracts with JD Group have the discretion to make purchase orders either on non-public platforms or on their own procurement platforms connected to the systems of JD Group and our Group. Customers are able to select products on the interface with details such as specifications, price, and appearance of products. In this case, where such customers make purchase orders for industrial products, the orders are fulfilled by our Group. All aspects of the purchase and sale of industrial products, including but not limited to products, negotiation and determination of pricing and after-sales services are fulfilled by our Group. With the exception of acting as a pass-through agent of our Group, there is no involvement on the part of JD Group in respect of any aspect of the purchase of industrial products by customers. While our Group is not engaged in the logistics and distribution of its industrial products to end customers, it manages and arranges for the fulfillment and delivery of orders by engaging third party service providers and JD Group to provide these services.

Such continuing connected transactions do not impact the business delineation in terms of products between JD Group and our Group as detailed above for the following reasons: (a) JD Group is merely an agent of our Group with regard to the continuing connected transactions, and this arrangement is only for the convenience of customers who prefer a single point of contact for payment processing and contracts, (b) the terms and price of the industrial products supplied to JD Group are and will be determined directly by our Group and the end customers and other customers (i.e. JD Group does not negotiate with the customers on behalf of our Group); (c) JD Group does not and will not charge our Group any service fees in the process; and (d) our Group will be able to establish strong customer loyalty once the relationship is established, due to its in-depth product know-how.

Such an arrangement is mutually beneficial to both JD Group and our Group. With a single point of contact for the customers, it increases customer satisfaction of products and service offerings of both JD Group and our Group. As such, both parties do not anticipate such continuing connected transactions will terminate in the foreseeable future although both parties will have such a termination right.

Our Group is able to reach out to those customers directly instead of selling through JD Group, and has done so and will increasingly do so going forward. While the Company has been transferring the contractual relationship in this regard from JD Group to our Group, the current arrangement of such continuing connected transactions is beneficial to all parties involved. The transfer of the contractual relationship started in 2022 and the Company plans to further reach out to corporate customers to facilitate the transfer.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

See the subsection headed “Connected Transactions—Exempt Continuing Connected Transactions—2. Industrial Product Sales Agency Framework Agreement” in this document for further details and reasons for entering into these transactions.

Non-industrial Product Sales Agency Framework Agreement

Our Group will act as a pass-through agent of JD Group for the sale of non-industrial products to customers of our Group.

These customers may initiate purchase requests, at their own discretion, to buy non-industrial products in the same order as industrial products. Given that these customers have already signed procurement agreements or make purchase orders directly with our Group and would prefer a single point of contact (instead of two points of contact split between our Group and JD Group), our Group acts as a pass-through agent of JD Group to facilitate the sale of non-industrial products from JD Group to our customers. All aspects of the purchase and sale of non-industrial products, including but not limited to products, negotiation and determination of pricing, and after-sales services are fulfilled by JD Group. The amounts received by our Group from such customers in relation to their procurement of non-industrial products (according to their categorization) are passed onto JD Group with our Group merely acting as a pass-through agent; these amounts are not recognized as revenue or costs of our Group for accounting purposes.

All aspects of the purchase and sale of non-industrial products, including determination of pricing, fulfillment of order, after-sales services etc. are fulfilled by JD Group. With the exception of acting as a pass-through agent of JD Group, there is no involvement on the part of our Group in respect of any aspect of the purchase of non-industrial products by our customers.

Such continuing connected transactions do not impact the business delineation in terms of products between our Group and JD Group as detailed above for the following reasons: (a) our Group is merely an agent of JD Group with regard to the continuing connected transactions, and this arrangement is only for the convenience of customers who prefer a single point of contact for payment processing and contracts, (b) the terms and price of the non-industrial products are and will be determined directly by JD Group and the relevant customers (i.e. the Group does not negotiate with the customers on behalf of JD Group); and (c) our Group does not and will not charge JD Group any service fees in the process.

See the subsection headed “Connected Transactions—Exempt Continuing Connected Transactions—3. Non-industrial Product Sales Agency Framework Agreement” in this document for further details of and reasons for entering into these transactions.

Non-Industrial Product Procurement Framework Agreement

Our Group will procure certain non-industrial products (such as office supplies) from JD Group on normal commercial terms and then sell such non-industrial products to key accounts of our Group who have demands for such products in their overseas operations in certain geographical regions outside Mainland China.

A number of key accounts of our Group that procure industrial products from our Group in Mainland China have developed or have plans to develop overseas business and procure or intends to

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

procure industrial products from our Group for their overseas operations. These key accounts will from time to time have demands for non-industrial products in addition to industrial products (for example, office supplies for their overseas offices). In some overseas regions, our Group has established local subsidiaries and local sales team and therefore has stronger local presence and better understanding of the local markets, business needs and culture. Therefore, instead of acting as the pass-through agent of JD Group, our Group will fulfill aspects of the purchase and sale of non-industrial products, including but not limited to determination of pricing, fulfillment of order, after-sales services, such that we can provide a one-stop supply services for these customers directly. In order to fulfill the orders of its customers of non-industrial products, our Group procures such products from JD Group on normal commercial terms and the procurement of non-industrial products from JD Group will be recognized as costs of our Group. Our Group will enter into sales and purchase agreements with the local entities of the key accounts of our Group in these overseas regions and the sales amount will be recognized as revenue of our Group. For the avoidance of doubt, our Group will still act as pass-through agent of JD Group in the sale of non-industrial products to customers of our Group pursuant to the arrangements disclosed in the section headed “Non-industrial Product Sales Agency Framework Agreement” above to the extent it is commercially reasonable and practicable to do so.

Such continuing connected transactions do not impact the business delineation between JD Group and our Group or raise any business independence issue as: (a) this arrangement is mainly for the convenience of customers who prefer a single point of contact for supply of industrial and non-industrial products in their overseas operations; and (b) the supply of the non-industrial products is generally only made pursuant to the demand of key accounts of our Group and to supplement the existing or contemplated supply of non-industrial product to these customers in overseas regions in order to provide better customer service and more comprehensive industrial supply chain services.

The cooperation between JD Group and our Group under the Non-industrial Product Procurement Framework Agreement is mutually beneficial as by providing a single point of contact and one-stop supply of both industrial and non-industrial products for key accounts, our Group can effectively support the overseas operation of key accounts and, in turn, enhance customer satisfaction and stickiness. Given JD Group enjoys leading position in the PRC’s e-commerce industry, JD Group has diverse and quality product offerings with speedy deliveries and is able to source non-industrial products from its suppliers at favorable price due to its large purchasing volume, it is commercially beneficial for our Group to procure certain non-industrial products from JD Group. As such, both parties do not anticipate such continuing connected transactions will terminate in the foreseeable future although both parties will have such a termination right.

Although the arrangements under the Non-industrial Product Procurement Framework Agreement are complementary and beneficial to all parties involved, our Group is not bound to procure such non-industrial products from JD Group and is able to procure similar non-industrial products from independent third party suppliers both within Mainland China and overseas. Our Group will only procure non-industrial products from JD Group if the procurement of non-industrial products is on normal commercial terms or better.

See the subsection headed “Connected Transactions—Partially Exempt Continuing Connected Transactions—9. Non-Industrial Product Procurement Framework Agreement” in this document for further details and reasons for entering into these transactions.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Marketing Services Framework Agreement

JD Group and our 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 our Group in return for the marketing fees which shall be calculated in accordance with the underlying standard marketing service agreements.

Advertisements placed by third parties on our Group or JD Group's platforms and resources will be subject to marketing service charges depending on which platform or resource the advertisement is placed on and whether the third party advertiser originally signed the marketing services contract with JD Group or our Group.

From the third parties' perspective, being able to place advertisements on both JD Group and our Group's platforms through one sales channel delivers convenient and enhanced customer experience, and is therefore mutually beneficial to both JD Group and our Group (and as such both parties do not anticipate such continuing connected transactions will terminate in the foreseeable future although both parties will have such a termination right).

Once the third party advertiser has signed the marketing services contract with our Group, it may elect to place advertisements in three main advertising slots or places: (i) our Group's resources and/or platforms, (ii) JD Group's resources and/or platforms or (iii) external resources outside both our Group and JD Group's platforms.

See the subsection headed "Connected Transactions—Non-Exempt Continuing Connected Transactions—10. Marketing Services Framework Agreement" in this document for further details and pricing policies of and reasons for entering into these transactions.

Technology Services Framework Agreement

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.

The roles of JD Group and its associates including JD Technology and of our Group (as the provider of industrial related services) allow for clear delineation of business offerings among JD Group and our Group, as the services provided by our Group are related to industrial-related services and products.

Given that JD Group enjoys a leading position in the PRC's e-commerce industry, strong brand equity, and is a large business with diverse needs, it is natural for, and in the best interest of, our Group to cooperate with JD Group and provide the support services needed for its operation which fall within the niche of our Group.

The Company will provide the technology related services under the continuing connected transactions to JD Group and its associates on normal commercial terms or better; and in any event, although the arrangements under the continuing connected transactions are complementary and beneficial to all parties involved as set out above, JD Group and its associates will not be bound to acquire technology services from the Company, and can easily acquire comparable services from other service providers.

See the subsection headed "Connected Transactions—Partially Exempt Continuing Connected Transactions—7. Technology Services Framework Agreement" in this document for further details and pricing policies of and reasons for entering into these transactions.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Technology and Traffic Support Services Framework Agreement, Payment Services Framework Agreement, Loyalty Program Framework Agreement, and Supply Chain Solutions and Logistics Services Framework Agreement

The roles of JD Group (as the operator of online platforms) and of our Group (as the provider of industrial products and services) are highly complementary and beneficial to each other. Given that JD Group enjoys a leading position in the PRC's e-commerce industry with an extensive network coverage (including but not limited to websites, software and smartphone applications), it is natural for, and in the best interest of, our Group to cooperate with JD Group for the sale of its industrial products and services.

Given that our Group's businesses are operated on JD Group's platforms and in an effort to provide an integrated customer user experience among the platforms of our Group and JD Group, such cooperation includes (i) JD Group providing our Group with technology and traffic support services through its online platforms (e.g. jd.com and mobile apps), which includes non-public platforms dedicated to key accounts; (ii) JD Group and its associate(s) (including JD Technology) arranging for our Group to use the payment services through payment channels provided by third party payment service providers or self-owned payment channels owned by JD Group's associates, so as to enable users to conduct online purchase of the products of our Group in an integrated manner; (iii) our Group's participation in the customer loyalty program of JD Group; and (iv) JD Group (including JD Logistics) providing 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.

See the subsections headed "Connected Transactions—Non-Exempt Continuing Connected Transactions—12. Technology and Traffic Support Services Framework Agreement", "Connected Transactions—Partially Exempt Continuing Connected Transactions—5. Payment Services Framework Agreement", "Connected Transactions—Partially Exempt Continuing Connected Transactions—6. Loyalty Program Framework Agreement" and "Connected Transactions—Non-Exempt Continuing Connected Transactions—11. Supply Chain Solutions and Logistics Services Framework Agreement" in this document for further details and pricing policies of and reasons for entering into these transactions.

Factoring Services Framework Agreement

Our Group's key accounts constitute creditworthy corporate customers who make bulk purchases, resulting in trade receivables on its balance sheet. JD Technology provides corporate receivable factoring services to our Group for trade receivables from sales of industrial products to its customers that have entered into agreements with our Group (and primarily to key accounts). JD Technology provides factoring services by purchasing trade receivables from our Group to enable our Group to receive early payments and deploy the capital elsewhere. Once JD Technology purchases the corporate receivables from our Group, it takes on the credit risk of the relevant counterparty.

The roles of JD Group and its associates including JD Technology (as the provider of factoring services in this case) and of our Group (as the provider of industrial products and services) are highly complementary and beneficial to each other (and as such, both parties do not anticipate such continuing connected transactions will terminate in the foreseeable future although both parties will have such a termination right).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Given that JD Group enjoys a leading position in the PRC's e-commerce industry and logistics services with an extensive network coverage (including but not limited to websites, software, smartphone applications, warehouses and delivery personnel) and is in a position to provide factoring services to facilitate the various arms of its business through its associate JD Technology, it is natural for, and in the best interest of, our Group to cooperate with JD Group for the sale of its industrial products and services.

See the subsection headed "Connected Transactions—Non-Exempt Continuing Connected Transactions—14. Factoring Services Framework Agreement" in this document for further details and pricing policies of and reasons for entering into these transactions.

Procurement Services Framework Agreement

Our Group, together with JD Group, will procure certain inventories for its industrial products business through JD Group on a cost basis.

Our Group procures diverse inventories from a large number of suppliers. For the ease of relationship management with third party suppliers (to streamline negotiations and contract with potential suppliers) and for the sake of third party suppliers' convenience, our Group purchases parts of its inventories of industrial products through JD Group (allowing for one point of contact between JD Group and our Group for their third party suppliers).

Our Group is not bound and will not be bound to purchase such inventories of industrial products through JD Group, and our Group expects that it will independently procure its inventory on an increasing basis in the future after the transfer of contractual relationship with suppliers from JD Group to our Group. As such, our Group expects that such procurement arrangements will decrease from Listing onwards. The contracts underlying the continuing connected transactions are generally renewed yearly (in the beginning of each year), and both our Group and JD Group are in the process of reviewing and will continue to review the continuing connected transactions with a goal to reduce such continuing connected transactions, and our Group will work towards transferring the contractual relationship to our Group and independently procure its inventory on an increasing basis in the future. The progress of transferring the contractual relationship with suppliers is dependent on factors such as the length of contract terms of agreements between suppliers and JD Group (as these are often not less than one year (inclusive)) and the preferred approach of only renewing contracts after they have expired.

See the subsection headed "Connected Transactions—Exempt Continuing Connected Transactions—4. Procurement Services Framework Agreement" in this document for further details of and reasons for entering into these transactions.

Industrial Product Sales Framework Agreement

JD Group (including but not limited to JD Logistics) has demand for certain industrial products (including but not limited to packaging supplies, industrial lighting, racks, pallets and storage boxes) in the operation of its own business. Our Group will supply industrial products (including but not limited to packaging supplies) to JD Group for its own use.

The roles of JD Group (including JD Logistics) and of our Group (as the supplier of industrial products) allow for clear delineation of business offerings among JD Group and our Group, as the industrial products supplied by our Group is related to industrial-related services and products.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Given that JD Group enjoys a leading position in the PRC's e-commerce industry, strong brand equity, and is a large business with diverse needs, it is natural for, and in the best interest of, our Group to cooperate with JD Group and provide the industrial products needed for its operation which fall within the niche of our Group. The cooperation between our Group and JD Group in the supply and sales of industrial products allow synergies between, and mutual benefit to, members of JD Group.

Our Group will supply industrial products to JD Group on normal commercial terms or better; in any event, although the arrangements under the Industrial Product Sales Framework Agreement are complementary and beneficial to all parties involved as set out above, JD Group will not be bound to acquire industrial products from our Group, and can easily acquire comparable products from other suppliers. Our Group also supply such products to customers other than JD Group.

See the subsection headed "Connected Transactions—Partially Exempt Continuing Connected Transactions—8. Industrial Product Sales Framework Agreement" in this document for further details and pricing policies of and reasons for entering into these transactions.

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders.

Financial independence

Our Group has an independent financial system and makes financial decisions according to our Group's own business needs. We have an independent internal control and accounting systems and also have an independent finance department. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders.

During the Track Record Period, we participated in the treasury management scheme managed by JD Group to better manage our excess cash to achieve higher returns. According to the terms of the Series A Share Subscription Agreement, we are entitled to receive interest income from such treasury management scheme. We have received the amounts under the treasury management scheme with JD Group in cash and have terminated this arrangement in June 2023. See "Financial Information—Material Related Party Transactions" for details of the treasury management scheme.

Other than certain accounts receivables and accounts payables arising from the normal course of business and factoring services provided by JD Group or its associates pursuant to the Factoring Services Framework Agreement disclosed in "—Operational independence—Factoring Services Framework Agreement" of this section and in the section headed "Connected Transactions—Non-Exempt Continuing Connected Transactions—14. Factoring Services Framework Agreement" in this document, there are no loan balances and/or other financing arrangements with JD Group or its associates and no outstanding amounts which are non-trade in nature. 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 easily acquire factoring services from other independent service providers on comparable terms. It is expected that there will be no outstanding loans or other forms of financial assistance provided by JD Group or associates of JD.com, Inc. to our Group before the Listing.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors believe that our business is financially independent of our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We will adopt the following corporate governance measures to resolve actual or potential conflict of interests between our Group and our Controlling Shareholders:

- (a) under the Articles, where any member is, under the Listing Rules, required to abstain from voting only for or only against any particular resolution proposed at a Shareholders' meeting, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted in the quorum in respect of such transactions;
- (b) our Company has established internal control mechanisms to identify connected transactions, and we will comply with the applicable Listing Rules if we enter into connected transactions with our Controlling Shareholders or any of their associates after Listing;
- (c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders (the "**Annual Review**") (including review of the composition of the Board and consider whether the Board, in light of the management overlap and the matters requiring the overlapping Directors to abstain from voting, can maintain effective functioning) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) our Controlling Shareholders will undertake to provide all information necessary or requested by the independent non-executive Directors for the Annual Review, including all relevant financial, operational and market information;
- (e) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and
- (f) we have appointed Haitong International Capital Limited as our compliance adviser for the period prescribed by the Listing Rules to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.

CONNECTED TRANSACTIONS

Upon the Listing, transactions between us and our connected persons will constitute our connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transactions upon Listing:

Connected Relationship	Name
Controlling Shareholder	JD.com and its subsidiaries and consolidated affiliated entities
JD.com's associates	Including but not limited to JD Technology which is held as to more than 30% interests by our Controlling Shareholder and hence is an associate of our Controlling Shareholder (as defined in Rule 14A.13(3) of the Listing Rules)

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions with JD Group and its Associates:

Continuing connected transactions	Proposed annual cap for the year ending December 31, (in thousands of RMB)
Exempt Continuing Connected Transactions	
1. IP Licensing Framework Agreement	
Royalties to be paid by us to JD Group	N/A
2. Industrial Product Sales Agency Framework Agreement	
Transaction amount to be paid by us to JD Group	N/A
3. Non-industrial Product Sales Agency Framework Agreement	
Transaction amount to be paid to us by JD Group	N/A
4. Procurement Services Framework Agreement	
Transaction amount to be paid by us to JD Group	N/A
Partially Exempt Continuing Connected Transactions	
5. Payment Services Framework Agreement	
Transaction amount to be paid by us to JD Group and its associates	2025: 150,000 2026: 220,000 2027: 320,000
6. Loyalty Program Framework Agreement	
Transaction amount to be paid by us to JD Group	2025: 20,000 2026: 35,000 2027: 50,000
7. Technology Services Framework Agreement	
Transaction amount to be paid to us by JD Group and its associates	2025: 20,000 2026: 50,000 2027: 70,000

CONNECTED TRANSACTIONS

Continuing connected transactions	Proposed annual cap for the year ending December 31, (in thousands of RMB)
8. Industrial Product Sales Framework Agreement	
Transaction amount to be paid to us by JD Group	2025: 200,000 2026: 400,000 2027: 600,000
9. Non-Industrial Product Procurement Framework Agreement	
Transaction amount to be paid by us to JD Group	2025: 26,000 2026: 67,000 2027: 137,000
Non-Exempt Continuing Connected Transactions	
10. Marketing Services Framework Agreement	
Transaction amount to be paid to us by JD Group	2025: 895,000 2026: 1,210,000 2027: 1,800,000
Transaction amount to be paid by us to JD Group	2025: 103,000 2026: 140,000 2027: 200,000
11. Supply Chain Solutions and Logistics Services Framework Agreement	
Transaction amount to be paid by us to JD Group	2025: 1,110,000 2026: 1,700,000 2027: 2,570,000
12. Technology and Traffic Support Services Framework Agreement	
Transaction amount to be paid by us to JD Group	2025: N/A 2026: N/A 2027: N/A
13. Shared Services Framework Agreement	
Transaction amount to be paid by us to JD Group and its associates	2025: 520,000 2026: 760,000 2027: 1,100,000
14. Factoring Services Framework Agreement	
Amount of receivable to be purchased by JD Technology	2025: 3,800,000 2026: 5,320,000 2027: 7,860,000
Fees to be charged by JD Technology and its associates	2025: 320,000 2026: 480,000 2027: 690,000

CONNECTED TRANSACTIONS

Contractual Arrangements

15. Contractual Arrangements

Continuing connected transactions

Proposed annual cap

Non-Exempt Continuing Connected Transaction

Contractual Arrangements

N/A

EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. IP Licensing Framework Agreement

Principal terms

Our Company entered into an IP licensing framework agreement with JD.com (the “**IP Licensing Framework Agreement**”) on November 28, 2025, pursuant to which JD Group will grant to the Group exclusive and non-exclusive licenses for the use of certain intellectual property rights owned by JD.com, including patents, trademarks, software copyrights, domain names and know-how that are either registered or for which registration applications have been filed globally, that are owned by JD Group (the “**Licensed IP Rights**”) on a royalty-free basis. The Company will use the Licensed IP Rights within the scope specified in the IP Licensing Framework Agreement. For details of the Licensed IP Rights, please see the section headed “Statutory and General Information—B. Further Information about Our Business—2. Intellectual Property Rights” in Appendix IV to this document.

Term of agreement and termination clause

The initial term of the IP Licensing Framework Agreement will commence on the Listing Date and end on ten years from the Listing Date on the condition that JD.com or its subsidiaries remain the largest shareholder of our Company i.e. JD.com may terminate the IP Licensing Framework Agreement if JD.com or its subsidiaries are no longer the largest shareholder of our Company. The IP Licensing Framework Agreement is subject to renewal through mutual consent by the parties.

As required by Rule 14A.52 of the Listing Rules, the term for the agreement for the continuing connected transactions must not exceed three years, except in cases where the nature of the transaction requires the agreement to be of a duration longer than three years. The Directors (including the independent non-executive Directors) are of the view that the IP Licensing Framework Agreement was entered into on normal commercial terms or better and the Licensed IP Rights are necessary for our business operations and a longer duration of the agreement will avoid any unnecessary business interruption and help ensure the long-term development and continuity of our business.

Reasons for the transaction

The Directors consider that the use of JD Group’s Licensed IP Rights will enable our Company to leverage the popularity and reputation of JD Group, thereby promoting our services. Moreover, our Company has been using some of the Licensed IP Rights of JD Group for several years and the Directors believe it is in the best interests of the Company and its Shareholders to continue to use the Licensed IP Rights after Listing. Further, JD Group is not able to transfer to our Group certain trademarks without transferring trademarks that belong to and are being used by JD Group due to their similarity (e.g. “JD” and “JD Industrials”). This is because the “JD Industrials” trademark involves the

CONNECTED TRANSACTIONS

trademark “JD”, which belongs to and has been registered by JD Group. Consequently, in order for the trademark “JD Industrials” to be transferred to our Group, the trademark “JD” would also have to be transferred to our Group, which would be commercially impracticable for JD Group to do.

Further, as advised by our PRC Legal Adviser, pursuant to Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) and Implementing Regulations of the Trademark Law of the People’s Republic of China (《中華人民共和國商標法實施條例》), (i) where a trademark registrant intends to transfer a registered trademark, it shall transfer all the similar registered trademarks used for the same or similar commodities; and (ii) if the trademark registrant fails to transfer all of its similar registered trademarks used for the same or similar commodities, the Trademark Office of China National Intellectual Property Administration (the “**Trademark Office**”), which is in charge of trademark registrations in China, is entitled to instruct the transferor to rectify it within a prescribed time limit. Failure to do so, the application for transfer of the registered trademark will be deemed to be withdrawn, and the Trademark Office shall inform the transferor in writing. Therefore, due to the similarity of the registered trademarks used by our Group and JD Group (e.g. “JD Industrials” and “JD”), the application for transfer of the registered trademark “JD Industrials” will not be approved by the Trademark Office if JD Group does not transfer similar trademarks (e.g. “JD”) used for the same or similar commodities to our Group.

Furthermore, our Group has historically been using the trademark “JD Industrials” since our inception as a business unit within JD Group, and even after our Group has operated as a standalone basis since July 2017, and after the proposed JDI Spin-off, the Company will still continue to be part of the JD Group, sharing the same “JD” root. It will be beneficial for the Company to continue to leverage on the synergy built with JD Group, and to capitalize on the goodwill it has gained on using the “JD Group” brand since our inception.

Consequently, the IP Licensing Framework Agreement remains the most appropriate and feasible means for ensuring that both the JD Group and our Group can continue to enjoy the use of the Licensed IP Rights.

Historical amounts

There were no historical amounts for the IP Licensing Framework Agreement for each of the three years ended December 31, 2024 and the six months ended June 30, 2025.

Listing Rules implications

As the license to use the Licensed IP Rights is granted to us on a royalty-free basis, the transactions under the IP Licensing Framework Agreement constitute de minimis transactions pursuant to Rule 14A.76(1)(a) of the Listing Rules and are fully exempt from the annual reporting, announcement, independent Shareholders’ approval and annual review requirements under Chapter 14A of the Listing Rules.

2. Industrial Product Sales Agency Framework Agreement

Principal terms

Our Company entered into a sales framework agreement with JD.com on November 28, 2025 (the “**Industrial Product Sales Agency Framework Agreement**”), pursuant to which JD Group will

CONNECTED TRANSACTIONS

act as a pass-through agent of our Group for the sale of industrial products to certain customers (including key accounts customers, SME customers and other customers).

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

Reasons for the transaction

Certain customers (including key accounts customers, SME customers and other customers) who sign procurement agreements or make purchase orders from JD Group usually buy a wide range of products, and industrial products are only a portion of the products procured by such customers.

The JD Group acts as a pass-through agent of the Group to facilitate the sale of industrial products to JD Group's customers. All aspects of the purchase and sale of industrial products, including but not limited to products, negotiation and determination of pricing and after-sales services are fulfilled by the Group directly with the customer without JD Group being involved. The JD Group does not charge any fees from the Group for acting as its agent. The amounts received by JD Group from the Group's customers in relation to their procurement of industrial products (according to their categorization) are passed onto the Group with the JD Group merely acting as a pass-through agent; these amounts received and paid by JD Group are not recognized as revenue or costs of JD Group for accounting purposes, since JD Group, as a pass-through agent, merely facilitates the sale of these industrial products by the Group to JD Group's customers. The amounts received by JD Group (as pass-through agent) are settled and paid to the Group on a monthly basis.

Such an arrangement is mutually beneficial to both JD Group and our Group. With a single point of contact for the customers, it increases customer satisfaction with products and service offerings of both JD Group and our Group. Notwithstanding the benefits aforementioned, our Group is able to reach out to those customers directly instead of selling through JD Group, and has done so and will increasingly do so going forward.

Please refer to the section headed "Relationship with Our Controlling Shareholders—Independence from Controlling Shareholders—Operational Independence—Industrial Product Sales Agency Framework Agreement" for further details.

Historical amounts

As JD Group did not charge our Group any fees for acting as the agent of our Group, there were no historical amounts for the Industrial Product Sales Agency Framework Agreement for each of the three years ended December 31, 2024 and the six months ended June 30, 2025.

Listing Rules implications

As JD Group did not charge our Group any fees for acting as the agent of our Group, the transactions under the Industrial Product Sales Agency Framework Agreement constitute de minimis transactions pursuant to Rule 14A.76(1)(a) of the Listing Rules and are fully exempt from the annual reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

3. Non-industrial Product Sales Agency Framework Agreement

Principal terms

Our Company entered into a sales framework agreement with JD.com on November 28, 2025 (the “**Non-industrial Product Sales Agency Framework Agreement**”), pursuant to which our Group will act as a pass-through agent of JD Group for the sale of non-industrial products by JD Group to our Group’s customers.

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

Reasons for the transaction

Customers of the Group (being those that have signed procurement agreements or make purchase orders directly with the Group) may initiate purchase requests, at their own discretion, to buy non-industrial products in the same order as industrial products.

The Group acts as a pass-through agent of JD Group to facilitate the sale of non-industrial products to our Group’s customers. All aspects of the purchase and sale of non-industrial products, including but not limited to products, negotiation and determination of pricing and after-sales services are fulfilled by JD Group directly with the customer without the Group being involved. The Group does not charge any fees from JD Group for acting as its agent. The amounts received by the Group from the Group’s customers in relation to their procurement of non-industrial products are passed onto JD Group with the Group merely acting as a pass-through agent; these amounts received and paid by the Group are not recognized as revenue or costs of the Group for accounting purposes, since the Group, as a pass-through agent, merely facilitates the sale of these non-industrial products by JD Group to the Group’s customers. The amounts received by the Group (as pass-through agent) are settled and paid to JD Group on a monthly basis.

Such an arrangement is mutually beneficial to both the Group and JD Group. With a single point of contact for the customers, it increases customer satisfaction with products and service offerings of both the Group and JD Group.

Please refer to the section headed “Relationship with Our Controlling Shareholders—Independence from Controlling Shareholders—Operational Independence—Non-industrial Product Sales Agency Framework Agreement” for further details.

Historical amounts

As the Group did not charge JD Group any fees for acting as the agent of JD Group, there were no historical amounts for the Non-industrial Product Sales Agency Framework Agreement for each of the three years ended December 31, 2024 and the six months ended June 30, 2025.

Listing Rules implications

As the Group did not charge JD Group any fees for acting as the agent of JD Group, the transactions under the Non-industrial Product Sales Agency Framework Agreement constitute de

CONNECTED TRANSACTIONS

minimis transactions pursuant to Rule 14A.76(1)(a) of the Listing Rules and are fully exempt from the annual reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

4. Procurement Services Framework Agreement

Principal terms

Our Company entered into a procurement services framework agreement with JD.com on November 28, 2025 (the “**Procurement Services Framework Agreement**”), pursuant to which our Group will procure certain inventories for our industrial products business together with and through JD Group on a cost basis.

The initial term of the Procurement 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.

Reasons for the transaction

Our Group procures diverse inventories from a large number of suppliers. For the ease of relationship management with third party suppliers (to streamline negotiations and contract with potential suppliers) and for the sake of third party suppliers' convenience, our Group purchases parts of our inventories of industrial products through JD Group (allowing for one point of contact between JD Group and our Group for their third party suppliers). We are not bound and will not be bound to purchase such inventories of industrial products through JD Group, and we expect that we will independently procure our inventory on an increasing basis in the future.

The JD Group acts as a pass-through agent of the Group to facilitate the procurement of inventories of industrial products by the Group. All aspects of the procurement of inventories of industrial products, including but not limited to products, negotiation and determination of pricing are handled by our Group directly with the supplier without JD Group being involved. JD Group will not charge our Group any service fees on the arrangement of procurement services and acting as the agent of the Group. The amounts due to suppliers are paid by JD Group (as agent) to the suppliers, and the Group settles and pays these amounts to JD Group on a monthly basis.

Historical amounts

As JD Group did not charge our Group any fees for acting as the agent of our Group, there were no historical amounts for the Procurement Services Framework Agreement for each of the three years ended December 31, 2024 and the six months ended June 30, 2025.

Listing Rules implications

As JD Group did not charge our Group any fees for acting as the agent of our Group, the transactions under the Procurement Services Framework Agreement constitute de minimis transactions pursuant to Rule 14A.76(1)(a) of the Listing Rules and are fully exempt from the annual reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

5. Payment Services Framework Agreement

Principal terms

Our Company entered into a payment services framework agreement with JD.com and its associates on November 28, 2025 (the “**Payment Services Framework Agreement**”), pursuant to which JD Group and its associate(s) 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.

Reasons for the transaction

Given that our Group sells industrial products through JD Group’s platform, our Group engages the same payment services as JD Group on a cost basis of JD Group. This achieves consistency between the platforms of JD Group and our Group, and also ensures a consistent and superior customer experience that would be difficult for our Group to replicate elsewhere. Our Group may also engage JD Group’s associates (including JD Technology) for certain payment services for similar reasons.

Pricing policies

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.

Historical amounts

With respect to the payment processing services sought by JD Group and the payment processing services provided by the associate(s) of JD Group for our business, the historical amounts incurred were approximately RMB101.9 million, RMB123.9 million, RMB74.0 million and RMB28.0 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

In April 2020, we entered into Series A Share Subscription Agreement (the “**Series A Share Subscription Agreement**”) for the Series A Preference Shares financing with certain Pre-IPO Investors (the “**Series A Preference Shares financing**”). Based on the terms stipulated in the Series A Share Subscription Agreement, pricing policies of certain related party transactions between us and

CONNECTED TRANSACTIONS

JD Group were established and became effective since June 10, 2020 (the “Closing Date”), which include logistics and warehousing services, technology and traffic support services, marketing services, loyalty program services, payment services, shared services and others. For the avoidance of doubt, the abovementioned Closing Date is solely for the purpose of identifying related party transactions’ effective date.

Prior to the Closing Date of Series A Preference Shares financing, payment fees in respect of the orders of our business that were part of JD Group’s expenses were allocated based on the proportion of the fulfilled order volume of our business to the fulfilled order volume of our business and JD Group in the aggregate, in the relevant period or year.

After the Closing Date of Series A Preference Shares financing and before the completion of the Global Offering, the transaction amounts in relation to provision of payment services arrangements from JD Group and JD Technology to our Group were charged on the agreed basis set out in the Series A Share Subscription Agreement.

Annual caps

With respect to the Payment Services Framework Agreement, the transaction amounts to be paid by us to JD Group and its associates for the three years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
	(in thousands of RMB)		
Transaction amount to be paid by us to JD Group and its associates	150,000	220,000	320,000

Basis of caps

The above proposed annual caps are determined with reference to the following factors:

- (i) the historical transaction amounts for the three years ended December 31, 2024 and the six months ended June 30, 2025 under the existing payment services arrangements between our Group and JD Group (including its associate(s)). Although our Group obtained some special and more favorable fee rates for the payment services from service providers during the Track Record Period, the service providers will review and determine the relevant fee rates based on market rates and may not continue to provide these limited-time promotional offers in the future;
- (ii) the expected increase of our GMV due to increase of demand for our products from our Group’s consumers which will lead to a corresponding increase in the payment services arrangements provided by JD Group and its associates to our Group, and that the customer base of our Group has been increasing during the Track Record Period and is expected to continue to increase in the three years ending December 31, 2027 in light of, in particular, our Group’s plan to expand our overseas business which may lead to increased demand for payment services to be arranged by JD Group and its associates and that the costs for the payment services involving overseas business is generally higher; and
- (iii) the annual caps for the three years ending December 31, 2027 are derived with reference to the historical fees paid to JD Group and its associates as a percentage of our Group’s

CONNECTED TRANSACTIONS

total GMV. Our Group expects that such percentage for the three years ending December 31, 2027 will be generally in line with the historical percentages for the three years ended December 31, 2024 and the six months ended June 30, 2025. For each of the three years ended December 31, 2024 and the six months ended June 30, 2025, the fees paid to JD Group and its associates under the payment services arrangements accounted for approximately 0.5%, 0.5%, 0.3% and 0.2% of the Group's total GMV, respectively.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Payment 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 0.1% but less than 5%, 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 and the announcement requirement under Rule 14A.35 of the Listing Rules.

6. Loyalty Program Framework Agreement

Principal terms

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.

Reasons for the transaction

Given that businesses of the Group are operated on JD Group's platforms and in an effort to provide an integrated customer user experience among the platforms of the Group and JD Group, the Group has historically participated and will continue to participate in the customer loyalty program of JD Group. JD Group is a leading player in the PRC e-commerce industry with extensive network coverage (including but not limited to websites and mobile apps) and enjoys a vast user base. The cooperation with JD Group in utilizing its platforms and participating in its customer loyalty programs will enable us to leverage the popularity of JD Group among users, allow us to reach more potential users, and further enhance the Group's business growth.

Pricing policies

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 vary among different product categories and are 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

CONNECTED TRANSACTIONS

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.

Historical amounts

In respect of the loyalty points granted to users by JD Group for our business, the historical amounts in respect of the above services were approximately RMB24.5 million, RMB26.1 million, RMB10.4 million and RMB2.8 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Prior to the Closing Date of Series A Preference Shares financing, the historical amounts were allocated based on the amount of loyalty points that were generated through customers' purchases from our Group, and the unit cost incurred by JD Group for each loyalty point granted in the relevant period and year.

After the Closing Date of Series A Preference Shares financing and before the completion of the Global Offering, the transaction amounts charged by JD Group in relation to the loyalty program were charged based on the amount of loyalty points that were generated through customers' purchases from our Group, and the unit cost incurred by JD Group for each loyalty point granted in the relevant period and year.

Annual caps

With respect to the Loyalty Program Framework Agreement, the transaction amounts to be paid by us to JD Group for the three years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
	(in thousands of RMB)		
Transaction amount to be paid by us to JD Group	20,000	35,000	50,000

Basis of caps

The above annual caps are determined based on:

- (i) the historical transaction amounts for the three years ended December 31, 2024 and the six months ended June 30, 2025 under the loyalty program arrangements between our Group and JD Group. In particular, the usage of the customer loyalty program of JD Group and the loyalty points granted thereunder during the Track Record Period have fluctuated due to changes in the use of different promotional activities (including but not limited to offering of direct discounts and issuing coupons to customers in addition to the customer loyalty program) as part of the marketing strategies, while the use of such promotional activities will continue to be adjusted based on market conditions and business needs from time to time;

CONNECTED TRANSACTIONS

- (ii) the average of historical fee rates under the loyalty program arrangements between our Group and JD Group during the Track Record Period;
- (iii) the expected increase in the total number of JD loyalty points granted by the Group to customers as the Group attracts more customers and as the customers become more engaged on the Group's platform and make more purchases despite the historical tumble in transaction amounts during the Track Record Period; and
- (iv) the expected increase of the GMV due to increase in demand for the products from the Group's customers, which will lead to a corresponding increase in the transaction amounts under the Loyalty Program Framework Agreement, and the customer base of our Group has been increasing during the Track Record Period and are expected to continue to increase in the three years ending December 31, 2027. Specifically, the annual caps for the three years ending December 31, 2027 are derived with reference to the historical fees paid to JD Group as a percentage of the Group's GMV attributable to SMEs and others. Our Group expects that such percentage for the three years ending December 31, 2027 will be generally in line with the historical percentages for the three years ended December 31, 2024 and the six months ended June 30, 2025. Further, reference is also made to the historical amounts under the loyalty program arrangements as a percentage of our Group's revenues. For each of the three years ended December 31, 2024 and the six months ended June 30, 2025, the fees charged by JD Group under the loyalty program arrangements accounted for approximately 0.2%, 0.2%, 0.1% and 0.03% of the Group's total revenue, respectively.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Loyalty Program 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 0.1% but less than 5%, 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 and the announcement requirement under Rule 14A.35 of the Listing Rules.

7. Technology Services Framework Agreement

Principal terms

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.

Reasons for the transaction

Customers who have signed or seek to sign agreements with JD Group usually seek a wide range of software development services, information technology system construction and maintenance

CONNECTED TRANSACTIONS

services—of which the Technology Services represents a portion of the services and products sought for and received by such customers. The Group has been developing technology and other services throughout the years, and therefore JD Group and its associates are able to leverage on the Group's expertise and capabilities on technology and other services to provide efficient and reliable software and information technology solutions to its customers.

Such an arrangement is mutually beneficial to both JD Group (and its associates) and the Group. With a single point of contact for the customers, it increases customer satisfaction with products and service offerings of both JD Group (and its associates) and the Group. Notwithstanding the aforementioned benefits, the Group is also able to benefit from the solid customer base of JD Group to acquire more cooperation opportunities and thereby foster further business expansion of its Technology Services.

Pricing policies

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 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.

Historical amounts

The historical transaction amounts in respect of the technology services provided by our Group to JD Group and its associates were approximately RMB17.8 million, RMB14.2 million, RMB8.8 million and RMB2.0 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Annual caps

With respect to the Technology Services Framework Agreement, the transaction amounts to be paid to us by JD Group and its associates for the three years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
(in thousands of RMB)			
Transaction amount to be paid to the Group by JD Group and its associates	20,000	50,000	70,000

Basis of caps

The above proposed annual caps for the transaction amount to be paid by JD Group and its associates to the Group in respect of the Technology Services Framework Agreement are determined based on: (i) the historical transactions amounts during the Track Record Period; (ii) the project-based nature of most transactions under the Technology Services Framework Agreements. As revenue will

CONNECTED TRANSACTIONS

only be recognized when all relevant services of a certain project have been performed, the transaction amount paid by JD Group might vary from one year to another, depending on the time and complexity of different projects, which to some extent caused the tumble in historical transaction amounts from the year ended December 31, 2023 to the year ended December 31, 2024 and the six months ended June 30, 2025 and as such, the tumble in the historical amount during the Track Record Period does not predict the trend for the three years ending December 31, 2027; (iii) the expected growth for the Group's service revenue from technology and other services for the three years ending December 31, 2027, as the Group also provides customers with technology and other services to empower their industrial supply chain digital transformation; (iv) the pipeline and estimated transaction amount under the projects agreed or intended to be signed between JD Group (and its associates) and its customers; and (v) the Group's business plan in respect of its Technology Services.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Technology 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 0.1% but less than 5%, 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 and the announcement requirement under Rule 14A.35 of the Listing Rules.

8. Industrial Product Sales Framework Agreement

Principal terms

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.

Reasons for the transaction

JD Group (including but not limited to JD Logistics) has demand for certain industrial products (including but not limited to packaging supplies, industrial lighting, racks, pallets and storage boxes) in the operation of its own business. Our Group started to be one of the suppliers of JD Group of such supplies in the second half of 2023 as a result of (i) the market development efforts of our Group with respect of our industrial products offering and (ii) the efforts of JD Group to broaden its supplier pool with an aim to reduce procurement expenses.

Given that JD Group enjoys a leading position in the PRC's e-commerce with diverse needs, it is natural for, and in the best interest of, our Group to cooperate with JD Group and provide the industrial products needed for its operation which fall within the niche of our Group. The cooperation between our Group and JD Group in the supply and sales of industrial products allow synergies between, and mutual benefit to, members of JD Group.

CONNECTED TRANSACTIONS

Pricing policies

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.

Historical amounts

The historical transaction amounts in respect of the supply of industrial products by our Group to JD Group were nil, approximately RMB1.5 million, RMB30.7 million and RMB41.5 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Annual caps

With respect to the Industrial Product Sales Framework Agreement, the transaction amounts for the three years ending December 31, 2027 shall not exceed the annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
	(in thousands of RMB)		
Transaction amount to be paid to us by JD Group	200,000	400,000	600,000

Basis of caps

The above proposed annual caps are determined with reference to the following factors:

- (i) the historical transaction amounts for the transactions during the Track Record Period, in particular the fact that the relevant cooperation between our Group and JD Group only started in the second half of 2023 but grew quickly in the year ended December 31, 2024 and the six months ended June 30, 2025. As the cooperation between our Group and JD Group (including JD Logistics) only started in the second half of 2023, our Group expects the scale of cooperation will continue to expand rapidly in the three years ending December 31, 2027, given the parties are still at the initial stage of cooperation; and
- (ii) the expected increase in the demand for our Group's relevant products and supplies by JD Group as well as the potential expansion of scope of products provided by our Group to JD Group in the three years ending December 31, 2027, considering the expected growth in JD Group (including JD Logistics)'s supply chain solutions and logistics services business volume in the same period.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Industrial Product Sales 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 0.1% but less than 5%, 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 and the announcement requirement under Rule 14A.35 of the Listing Rules.

CONNECTED TRANSACTIONS

9. Non-Industrial Product Procurement Framework Agreement

Principal terms

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 Mainland China.

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.

Reasons for the transaction

A number of key accounts of our Group that procure industrial products from our Group in Mainland China have developed or have plans to develop overseas business and procure or intends to procure industrial products from our Group for their overseas operations. These key accounts will from time to time have demand for non-industrial products (for example, office supplies for their overseas offices). In some overseas regions, our Group has established local subsidiaries and local sales team and therefore has stronger local presence and better understanding of the local markets, business needs and culture. Therefore, instead of acting as the pass-through agent of JD Group, our Group will fulfill aspects of the purchase and sale of non-industrial products, including but not limited to determination of pricing, fulfillment of order, after-sales services, such that we can provide a one-stop supply services for these customers directly. In order to fulfill the orders of its customers of non-industrial products, our Group procures such products from JD Group on normal commercial terms and the procurement of non-industrial products from JD Group will be recognized as costs of our Group. Our Group will enter into sales and purchase agreements with the local entities of the key accounts of our Group in these overseas regions and the sales amount will be recognized as revenue of our Group.

Pricing policies

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.

Historical amounts

With respect to the procurement of non-industrial products from JD Group by our Group, the historical amounts incurred were approximately nil, nil, RMB0.6 million and RMB2.3 million for the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

CONNECTED TRANSACTIONS

Annual caps

With respect to the Non-Industrial Product Procurement Framework Agreement, the transaction amounts to be paid by us to JD Group for the three years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
	(in thousands of RMB)		
Transaction amount to be paid by us to JD Group	26,000	67,000	137,000

Basis of caps

The above proposed annual caps are determined with reference to the following factors:

- (i) the historical transaction amounts for the three years ended December 31, 2024 and the six months ended June 30, 2025 for transactions under the Non-Industrial Product Procurement Framework Agreement between our Group and JD Group, in particular considering the fact that our Group only started to conduct relevant transactions since the first half of 2024 and that the transaction amount increased rapidly in the first half of 2025 compared to the year ended December 31, 2024 as the Group's sales in overseas regions expanded;
- (ii) the expected growth in the Group's GMV for sales in overseas regions in the three years ending December 31, 2027 with the increase in number of key accounts with rapid overseas expansion; and
- (iii) the expected increase in demand for non-industrial products by the key accounts in the overseas regions as a result of the expansion in the overseas businesses of the key accounts in the three years ending December 31, 2027, and the corresponding expected increase in the demand of non-industrial products to be procured by our Group from JD Group in the three years ending December 31, 2027.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Non-Industrial Product Procurement 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 0.1% but less than 5%, 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.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

10. Marketing Services Framework Agreement

Principal terms

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

CONNECTED TRANSACTIONS

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.

Reasons for the transaction

Advertisements placed by third party advertisers' on the platforms and resources of our Group or JD Group will be subject to marketing service charges depending on which platform the advertisement is placed on and whether the third party advertiser originally signed the marketing services contract with JD Group or our Group.

From the third parties perspective, being able to place advertisements on both JD Group and our Group's platforms through one channel is convenient and allows for an enhanced customer experience and is therefore mutually beneficial to both JD Group and our Group.

Pricing policies

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.

Once the third party advertiser has signed the marketing services contract with the Group, it may elect to place advertisements in three main advertising slots or places: (i) the Group's resources and/or platforms, (ii) JD Group's resources and/or platforms or (iii) resources outside both the Group and JD Group's platforms. For advertisements relating to industrial products and services, the Group provides value-added services relating to industrial products and services (i.e. marketing insights with regards to the industrial products and industrial supply chain technology industry) to the third party advertisers.

- (a) If the third party advertiser (which has signed the marketing services contract with the Group) elects to place an advertisement using the Group's resources and/or platforms, there is no marketing service fees sharing arrangement, as 100% of the marketing service fees belong to the Group. For the avoidance of doubt, this scenario will not involve any connected transactions.
- (b) If the third party advertiser (which has signed the marketing services contract with the Group) elects to place an advertisement using JD Group's resources and/or platforms, 60% of the marketing services fees will be shared from the Group to JD Group (i.e. 60/40 marketing service fees sharing arrangement between JD Group and the Group), as the third party advertiser is utilizing JD Group's resources while the Group is in essence acting as an advertising agent. Such marketing service fees sharing arrangements are determined based on arm's length negotiation after factoring in the resources incurred by both parties, and the arrangement with JD Group is no less favorable to the Group than for similar marketing resources provided by JD Group to third parties. In addition, the third party advertisers are free to choose whether to place advertisements on either JD Group or the Group's resources and platforms, which is mostly conducted through a real time bidding system which combines the

CONNECTED TRANSACTIONS

marketing resources of both JD Group and the Group. The real time bidding system takes into account the real time supply and demand and the market price of advertisements on both platforms of JD Group and the Group—as such, the advertisers tend to purchase resources (including selecting the platform) that can generate the highest return of investments for them.

- (c) If the third party advertiser (which has signed the marketing services contract with the Group) elects to place an advertisement using resources outside both the Group and JD Group's platforms, there will be a 90/10 marketing service fees sharing arrangement between JD Group and the Group. This is because JD Group is able to make mass purchase (and thus achieving mass efficiency and economies of scale) of resources (i.e. advertising slots) from companies outside the Group and JD Group for, among others, merchants selling their products and services on the platforms of JD Group and the Group. As such, 90% of the marketing services fees generated will be shared from the Group to JD Group to allow for JD Group to cover its costs of purchasing the third party advertisement resources/advertising slots, and the 10% the Group is entitled to keep is in consideration of its role as an advertising agent, after factoring in the administrative resources incurred by both parties. The arrangement with JD Group is no less favorable to the Group than for the Group to directly obtain relevant marketing resources and provide to the third party advertiser.

In the scenario where the third party advertiser has signed the marketing services contract with JD Group but wishes to place advertisements relating to industrial products and services, it may elect to place advertisements in three main advertising slots of places: (i) the Group's resources and/ or platforms, (ii) JD Group's resources and/or platforms or (iii) resources outside both the Group and JD Group's platforms. The Group is involved with these industrial products and services related advertisements (and thus entitled to a certain proportion of the advertising fees generated), because the Group can provide value-added services relating to industrial products and services (i.e. marketing insights with regards to the industrial products and industrial supply chain technology industry) to the third party advertisers.

- (a) If the third party advertiser (which has signed the marketing services contract with JD Group) elects to place an advertisement using the Group's resources and/or platforms, 100% of the marketing service fees belong to the Group and this will be shared from JD Group to the Group.
- (b) If the third party advertiser (which has signed the marketing services contract with JD Group) elects to place an advertisement on JD Group's platforms utilizing the services of the Group, the Group is entitled to 40% of the marketing services fees generated and this will be shared from JD Group to the Group (i.e. 60/40 marketing service fees sharing arrangement between JD Group and the Group). Such marketing services fees sharing arrangements were determined based on arm's length negotiation after factoring in the administrative resources incurred by both parties, the Group's role for providing industrial products and services related insights and services, and indirect benefits of such advertisement to the Group's business. In addition, the arrangement with JD Group is no less favorable to the Group than for the Group to directly provide same or similar marketing services to the third parties.
- (c) If the third party advertiser (which has signed the marketing services contract with JD Group) elects to place an advertisement using resources outside both the Group and JD Group's platforms, there will be a 90/10 marketing services fees sharing arrangement

CONNECTED TRANSACTIONS

between JD Group and the Group. This is because JD Group is able to make mass purchase of (and thus achieving mass efficiency and economies of scale) resources (i.e. advertising slots) from platforms outside the Group and JD Group for, among others, merchants selling their products and services on the platforms of JD Group and the Group. The Group is entitled to 10% of the marketing services fees generated and this will be shared from JD Group to the Group, in consideration of the Group's role for providing industrial products and services related insights and services, after factoring in the administrative resources incurred by both parties. The arrangement with JD Group is no less favorable to the Group, than for the Group to directly provide same or similar marketing services to the third party advertiser.

There are no situations where the same merchant or supplier would enter into marketing services contracts for the same types of products with both the Group and JD Group. With regard to potential overlap of suppliers, while there are no overlapping suppliers providing the same types of products to JD Group and the Group, the same suppliers providing a wide variety of products may only become suppliers of both JD Group and the Group, provided that it provides non-industrial products to JD Group and industrial-related products to our Group. In their dealings with these suppliers, JD Group and the Group collaborates through the Procurement Services Framework Agreement to streamline negotiations and contact with potential suppliers. With regard to potential overlap of merchants, merchants enter into contractual relationships with JD Group and the Group respectively based on the categorization of the types of products sold.

The Group will annually review and approve the economic split from time to time, to ensure the percentage splits are reasonable and in favor of the Group. 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. The Group will assess these percentage splits based on marketing 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 Marketing Services Framework Agreement.

To ensure the arrangement with JD Group under the Marketing Services Framework Agreement is fair and reasonable and on normal commercial terms or better than other independent third parties, the Group will review the economic splits annually 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.

Historical amounts

Marketing Services Revenue

The historical amounts of revenue generated in relation to the marketing services provided to JD Group in relation to our business were approximately RMB350.7 million, RMB472.2 million, RMB586.0 million and RMB335.5 million for the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Prior to the Closing Date of Series A Preference Shares financing, the historical amounts of marketing services revenue were calculated in reference to the relevant revenues recognized by

CONNECTED TRANSACTIONS

JD Group generated from third party advertisers for the advertisements placed on (i) JD Group's platforms and (ii) third party platforms in relation to our business and the designated rates for (i) and (ii), respectively.

After the Closing Date of Series A Preference Shares financing and before the completion of the Global Offering, the marketing services revenue were charged on the agreed basis set out in the Series A Share Subscription Agreement in the relevant period or year.

Marketing Services Payment to JD Group

The historical payment amounts to JD Group in relation to the marketing services provided by JD Group to our business were approximately RMB25.3 million, RMB26.4 million, RMB33.0 million and RMB15.1 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively, as a reduction of our revenue. We would only make marketing services payments to JD Group if and when a third party advertiser signed a marketing services contract with our Group, and elected to place advertisements by utilizing JD Group's resources and/or platforms or resources outside both our Group and JD Group's platforms.

Upon the later of (i) the Closing Date of Series A Preference Shares financing or (ii) the date when the relevant marketing contract(s) were entered into between the third party advertiser and our Group, the marketing services payments to JD Group would be made on the agreed basis set out in the Series A Share Subscription Agreement in the relevant period or year.

Annual caps

With respect to the Marketing Services Framework Agreement, the transaction amounts for the three years ending December 31, 2027 shall not exceed the annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
<i>(in thousands of RMB)</i>			
Transaction amount to be paid to the Group by JD Group	895,000	1,210,000	1,800,000
Transaction amount to be paid by the Group to JD Group	103,000	140,000	200,000

Basis of caps

Marketing Services Revenue

The annual caps for the transaction amount to be paid by JD Group to the Group under the Marketing Services Framework Agreement were determined with reference to (i) the historical transaction amounts paid by JD Group to the Group for each of the three years ended December 31, 2024 and the six months ended June 30, 2025; (ii) the marketing services revenue as a percentage of service revenue. For each of the three years ended December 31, 2024 and the six months ended June 30, 2025, the marketing services revenue from JD Group to our Group accounted for approximately 29.2%, 38.8%, 47.7% and 50.2% of the Group's service revenue, respectively; and (iii) the anticipated growth rate of the Group's digital marketing service business after taking into account the historical growth rate of the Group's digital marketing service business.

Marketing Services Payment to JD Group

The annual caps for the transaction amount to be paid by the Group to JD Group under the Marketing Services Framework Agreement were determined with reference to (i) the historical

CONNECTED TRANSACTIONS

transaction amounts paid by the Group to JD Group for each of the three years ended December 31, 2024 and the six months ended June 30, 2025; (ii) the expected growth of our Group's digital marketing service business for the three years ending December 31, 2027, taking into account that third-party advertisers who have signed or will sign marketing services contracts with our Group may ramp up their spending over time and that the Group may have better media exposure and attract more marketing services opportunities after the completion of the Listing, which may lead to increase in amount of marketing services payments and (iii) the anticipated growth rate of the Group's marketing services payments taking into account the reasons mentioned above.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Marketing 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.

11. Supply Chain Solutions and Logistics Services Framework Agreement

Principal terms

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.

Reasons for the transaction

The roles of JD Group (as the operator of online platforms and logistics services) and of our Group (as the provider of industrial products and services) are highly complementary and beneficial to each other. Given that JD Group enjoys a leading position in the PRC's e-commerce industry and logistics services with an extensive network coverage (such as warehouses and delivery personnel), it is natural for, and in the best interest of, the Group to cooperate with the JD Group to fulfill the sale of its industrial products and services.

The Group requires efficient and reliable integrated supply chain solutions and other logistics services to enable the products to be safely and promptly delivered to its customers. By entering into the Supply Chain Solutions and Logistics Services Framework Agreement, the Group aims to meet the increasing demand for logistics services which is driven by the quick expansion of the Group's industrial supply chain technology and service business.

CONNECTED TRANSACTIONS

Pricing policies

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.

Historical amounts

With respect to the supply chain solutions and logistics services provided by JD Group and its associates to our business, the historical amounts incurred were approximately RMB280.0 million, RMB365.1 million, RMB522.9 million and RMB418.2 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Prior to the Closing Date of Series A Preference Shares financing, the historical amounts were allocated based on the actual amount incurred by JD Group in relation to our business in the relevant period and year.

After the Closing Date of Series A Preference Shares financing and before the completion of the Global Offering, the transaction amounts in relation to provision of logistics services from JD Group to our Group are charged based on the agreed fee rates chargeable by JD Group on the various logistics services they provided to our Group in the relevant period and year.

Annual caps

With respect to the Supply Chain Solutions and Logistics Services Framework Agreement, the transaction amounts to be paid by us to JD Group for the three years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
	<i>(in thousands of RMB)</i>		
Transaction amount to be paid by us to JD Group	1,110,000	1,700,000	2,570,000

Basis of caps

The above proposed annual caps are determined with reference to the following factors:

- (i) the historical transaction amounts and the growth trend for the three years ended December 31, 2024 and the six months ended June 30, 2025 under the existing supply chain solutions and logistics services arrangements between our Group and JD Group, in particular the increase in growth rate from 2022 to 2023 and the growth continued and accelerated in the year ended December 31, 2024 and the six months ended June 30, 2025;
- (ii) the projected growth rate of our Group's product sales business volume and consequently, our needs for supply chain solutions and logistics services; and

CONNECTED TRANSACTIONS

- (iii) the annual caps for the three years ending December 31, 2027 are derived with reference to the historical fees paid to JD Group as a percentage of the Group's cost of revenue. For each of the three years ended December 31, 2024 and the six months ended June 30, 2025, the fees charged by JD Group under the supply chain solutions and logistics services arrangements accounted for approximately 2.4%, 2.5%, 3.1% and 5.0% of the Group's cost of revenue, respectively. The Group expects that such percentage for the three years ending December 31, 2027 will gradually increase, primarily due to the expected increase in penetration rate of logistics services from JD Group (including JD Logistics) provided to key accounts.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Supply Chain Solutions and Logistics 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.

12. Technology and Traffic Support Services Framework Agreement

Principal terms

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. 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 platforms.

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.

Reasons for the transaction

Our Directors consider that the provision of technology and traffic support services from JD Group to our Group would benefit the Company for the following reasons:

- since the core businesses of JD Group (as the operator of, among others, online platforms) and of our Group (as the provider of industrial products and services) are inextricably linked together in multiple aspects, the Group's business and those of JD Group are highly complementary and beneficial to each other;
- in light of the leading position that JD Group enjoys in the PRC e-commerce industry and given that JD Group has accumulated a relatively large user base during its years of

CONNECTED TRANSACTIONS

operation in the e-commerce industry, it is natural and in the best interests of the Group to cooperate with JD Group;

- our cooperation with JD Group in utilizing its platforms will enable us to leverage the popularity of JD Group among users, and allow us to reach more potential users, and further enhance our business growth; and
- as both parties enjoy respective advantages in different business fields, our collaboration may bring synergy into full play and share development achievements.

Pricing policies

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.

Historical amounts

In respect of technology and traffic support from JD Group to our business, the historical amounts incurred were approximately RMB385.7 million, RMB445.1 million, RMB485.6 million and RMB239.1 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Prior to the Closing Date of Series A Preference Shares financing, the historical amounts were allocated based on JD Group's respective expenses incurred and the fulfilled order volume of our business in proportion to the aggregate fulfilled order volume of our business and JD Group in the relevant period and year.

After the Closing Date of Series A Preference Shares financing and before the completion of the Global Offering, the transaction amounts in relation to provision of technology and traffic support services from JD Group to our Group were charged based on a fixed percentage of the value of our Group's fulfilled orders of industrial products and services generated through JD Group's online platforms in the relevant period or year.

CONNECTED TRANSACTIONS

Annual caps

With respect to the Technology and Traffic Support Services Framework Agreement, the commission fees JD Group shall charge the Group shall be determined by the following formula:

$$\text{A fixed rate} \quad \times \quad \text{the value of the fulfilled orders of industrial products and services generated through JD Group's online / non-public platforms}$$

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 fixed rates shall be reviewed on an annual basis by JD Group and the Group based on actual circumstances and needs of the Group.

Basis for not setting monetary annual caps

It would be unsuitable to adopt monetary annual caps for the transactions contemplated in the Technology and Traffic Support Services Framework Agreement for the following reasons:

- (a) it would be impracticable to estimate with any degree of certainty the amount of revenue which may be generated by these transactions as it will ultimately depend on factors such as the acceptance and popularity of the industrial products and services generated through JD Group's online platforms, all of which are beyond the immediate control of the Group and JD Group;
- (b) the Group has been rapidly expanding the industrial products and services, which has led to a corresponding increase in the provision of technology and traffic support services from JD Group to the Group, as the transaction amount achieved a continuous increase in the three years ended December 31, 2024 and the six months ended June 30, 2025. As our Group expects that we will continue to significantly expand our industrial products and services on JD Group's platforms, it would be difficult to predict with any certainty how rapid the growth in the user traffic and the value of fulfilled orders of industrial products and services generated through JD Group's platforms will be in the future. We believe that the adoption of fixed monetary annual caps will impose an arbitrary ceiling on the value of the fulfilled orders of industrial products and services generated through JD Group's online platforms;
- (c) adoption of fixed monetary annual caps would impose an arbitrary ceiling on the revenue that our Group could derive from this type of business cooperation and will hinder our Group from business expansion that can maximize the benefits for its shareholders;
- (d) adoption of annual caps with fixed monetary annual caps will render it unduly burdensome for our Group to comply with the disclosure, announcement, circular and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules whenever commissions paid by our Group to JD Group through the transactions contemplated under the Technology and Traffic Support Services Framework Agreement exceed the caps; and
- (e) the commissions paid by our Group to JD Group based on the formula set out above is consistent with the historical practices. The formula for JD Group charging a commission on the value of fulfilled orders of industrial products and services generated through JD Group's online platforms as set out above therefore offers the best alternative to monetary annual caps in light of the difficulties set out above.

CONNECTED TRANSACTIONS

Listing Rules implications

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.

13. Shared Services Framework Agreement

Principal terms

Our Company entered into a shared services framework agreement with JD.com 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.

Reasons for the transaction

The shared services under the Shared Services Framework Agreement can help enhance utilization and economies of scale of JD Group's operational support resources and, on the other hand, reduce the administrative costs of our Group in procuring similar services from a wide range of other providers. The Shared Services Framework Agreement will allow our Group to better leverage the mature infrastructure and coverage already built by JD Group and its associates and promote better cooperation between JD Group and its associates and our Group.

Pricing policies

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)

CONNECTED TRANSACTIONS

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.

Historical amounts

With respect to the shared services provided by JD Group and its associates to our business, the historical amounts incurred were approximately RMB371.0 million, RMB335.5 million, RMB320.7 million and RMB206.2 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Prior to the Closing Date of Series A Preference Shares financing, the historical amounts were allocated based on JD Group's respective expenses incurred and our Group's fulfilled order volume in proportion to the aggregate fulfilled order volume of our business and JD Group.

After the Closing Date of Series A Preference Shares financing and before the completion of the Global Offering, the transaction amounts in relation to provision of shared services from JD Group to our Group are derived and calculated on the agreed basis set out in the Series A Share Subscription Agreement in each year respectively.

Annual caps

With respect to the Shared Services Framework Agreement, the transaction amounts to be paid by us to JD Group and its associates for the three years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
	(in thousands of RMB)		
Transaction amount to be paid by us to JD Group and its associates	520,000	760,000	1,100,000

Basis of caps

The above proposed annual caps are determined with reference to the following factors:

- (i) the historical transaction amounts for the three years ended December 31, 2024 and the six months ended June 30, 2025 under the existing shared services arrangements between our Group and JD Group and its associates. For each of the three years ended December 31, 2024 and the six months ended June 30, 2025, the historical fee paid by our Group to JD Group accounted for approximately 20.2%, 14.9%, 13.1% and 13.6% of the Group's aggregate amount of fulfillment expenses, selling and marketing expenses, research and development expenses, and general and administrative expenses, respectively;
- (ii) the expected growth of the business of our Group will lead to the increase in business related expenses and other fixed costs, with the spending patterns of the Group remaining consistent with the growth of the Group's business, which, in turn, will lead to the corresponding increase in our need for various shared services provided by JD Group and its associates; and

CONNECTED TRANSACTIONS

- (iii) our Group expects the relevant percentages of annual caps relative to the aggregate amount of fulfillment expenses, selling and marketing expenses, research and development expenses, and general and administrative expenses to slightly increase for the three years ending December 31, 2027 as (a) the estimated growth of the business of our Group, due to the expansion of our external customer base and the rising demand for our products and services, in light of, among other things, our plan to expand our Group's overseas business, is expected to lead to corresponding increase in our need for various administrative and support services provided by JD Group and its associates, and (b) taking into account that our Group leverages JD ecosystem's proprietary technologies and middleware, such as cloud computing and AI, apart from our proprietary technologies, in building our technology infrastructure, developing and upgrading our services, our Group's demand for relevant support services from JD Group and its associates is also expected to increase in the three years ending December 31, 2027 with the development of our business.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Shared 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.

14. Factoring Services Framework Agreement

Principal terms

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

CONNECTED TRANSACTIONS

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.

Reasons for the transaction

Our Directors consider that the provision of factoring services by JD Technology to our Group would benefit the Company for the following reasons:

- since the role of JD Technology (as the provider of factoring services) and of our Group (as the provider of industrial products and services) are inextricably linked together in multiple aspects, the Group's business and those of JD Technology are highly complementary and beneficial to each other; and
- as both parties enjoy respective advantages in different business fields, our collaboration may bring synergy into full play and share development achievements.

Pricing policies

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.

Historical amounts

Amount of receivable purchased by JD Technology

The amount of receivable purchased by JD Technology in relation to the factoring services were approximately RMB241.0 million, RMB285.7 million, RMB1,012.9 million and RMB840.9 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Corporate customers that have signed procurement agreements directly with our Group may also buy non-industrial products in the same order as industrial products. As these customers would prefer a single point of contact, our Group would facilitate the sale of these non-industrial products from JD Group to these customers in the same order as industrial products. As such, the total trade

CONNECTED TRANSACTIONS

receivables purchased by JD Technology from our Group for these orders would contain amounts for these non-industrial products. The accounts receivable from sales of these non-industrial products are attributable to JD Group and are not accounted for as revenue or costs of our Group. The amounts received from the customers settling the balance of the non-industrial products trade receivables will be paid through our Group to JD Group. Our Group will not charge JD Group any service fees in the process, and for the avoidance of doubt, the factoring service fees to be paid for the non-industrial products trade receivables are borne by JD Group (just as the revenues from the non-industrial products are attributable to JD Group). There is no risk nor extra expenses borne by our Group as a result of this arrangement. As such, this arrangement would not constitute connected transactions as our Group only facilitates the factoring service provided by JD Technology for the sales of these non-industrial products. Due to the foregoing, the historical amounts and expected transaction amounts only take into account the trade receivables arising from sales of industrial products, as these are the trade receivables attributable to our Group.

Fees charged by JD Technology and its associates

The historical amounts of fees charged by JD Technology and its associates in relation to the factoring services provided by JD Technology were approximately RMB105.2 million, RMB138.8 million, RMB193.0 million and RMB90.3 million for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, respectively.

Annual caps

With respect to the Factoring Services Framework Agreement, the transaction amounts for the three years ending December 31, 2027 shall not exceed the annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2025	2026	2027
	<i>(in thousands of RMB)</i>		
Amount of receivables to be purchased by JD Technology	3,800,000	5,320,000	7,860,000
Fees to be charged by JD Technology and its associates	320,000	480,000	690,000

Basis of caps

Amount of receivables to be purchased by JD Technology

The annual caps for the amount of receivables to be purchased by JD Technology under the Factoring Services Framework Agreement were determined with reference to (i) the historical transaction amounts paid by JD Technology to the Group; (ii) the anticipated growth rate of the Group's business from key accounts after taking into account the historical growth rate of the Group's business during the Track Record Period; (iii) the expected GMV from sales of industrial products to key accounts that have contractual relationship with the Group for the three years ending December 31, 2027; and (iv) the expected ongoing transfer of contractual relationship with key accounts from JD Group to our Group, in particular, it is expected that key accounts that newly establish contractual relationship with our Group may ramp up their spending over time which may lead to increase in amount of receivables to be purchased by JD Technology for the three years ending December 31, 2027.

CONNECTED TRANSACTIONS

Fees to be charged by JD Technology and its associates

The annual caps for the transaction amount to be paid by our Group to JD Technology under the Factoring Services Framework Agreement were determined with reference to (i) the historical transaction amounts paid by our Group to JD Technology for the three years ended December 31, 2024 and the six months ended June 30, 2025. For each of the three years ended December 31, 2024 and the six months ended June 30, 2025, the historical fee paid by our Group to JD Technology and its associates accounted for approximately 1.1%, 1.2%, 1.5% and 1.3% of the Group's GMV attributable to key accounts, respectively; (ii) the expected growth in GMV from sales of industrial products to key accounts for the three years ending December 31, 2027; and (iii) factoring service fee rate that JD Technology charges the Group, including that the factoring service fee rate may be adjusted from time to time based on changes in market conditions.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Factoring 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.

15. Contractual Arrangements

Background

As disclosed in the section headed "Contractual Arrangements" in this document, due to regulatory restrictions on foreign ownership and other legal restrictions in the PRC, we conduct a portion of our business through our Consolidated Affiliated Entities, namely the Onshore Holdco and its respective subsidiaries, in the PRC. We do not hold any equity interests in our Onshore Holdco. The registered shareholders of the Onshore Holdco are Qin Miao (繆欽), Yayun Li (李婭雲) and Pang Zhang (張雱). The Contractual Arrangements among the WFOE, Onshore Holdco and the shareholders of Onshore Holdco enable us to (i) receive substantially all of the economic benefits from the Onshore Holdco in consideration for the services provided by the WFOE; (ii) exercise effective control over our Consolidated Affiliated Entities through our Onshore Holdco; and (iii) hold an exclusive option to purchase all or part of the equity interests and assets of our Onshore Holdco when and to the extent permitted by PRC laws.

See the section headed "Contractual Arrangements" in this document for detailed terms of the Contractual Arrangements.

Listing Rules implications

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon Listing as certain parties to the Contractual Arrangements, namely Qin Miao (繆欽), Yayun Li (李婭雲) and Pang Zhang (張雱), are connected persons of the Group. Qin Miao (繆欽) is the vice president of JD Group, Yayun Li (李婭雲) was a vice president of JD Group while Pang Zhang (張雱) is the chief human resources officer of JD Group. As the financials and results of operations of the VIE will continue to be accounted for and

CONNECTED TRANSACTIONS

consolidated into the Group's financials and results of operations after the Listing, the Registered Shareholders will be 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. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by any of our Consolidated Affiliated Entities and any member of our Group ("**New Intergroup Agreements**" and each of them, a "**New Intergroup Agreement**") technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among others, 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.

WAIVERS

With Respect to Continuing Connected Transactions with Non-Monetary Annual Caps: (12) Technology and Traffic Support Services Framework Agreement

In relation to the Technology and Traffic Support Services Framework Agreement, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from the announcement requirements, the circular (including the opinion and recommendation from an independent financial advisor) requirements, the independent shareholders' approval requirements, and the annual monetary cap requirements for the Technology and Traffic Support Services Framework Agreement pursuant to Rule 14A.105 of the Listing Rules, subject to the following conditions:

- (a) we will disclose in our subsequent annual and interim reports (i) a clear description of the bases for calculating the commissions charged by JD Group under the Technology and Traffic Support Services Framework Agreement, and (ii) the actual transaction amounts under the Technology and Traffic Support Services Framework Agreement;
- (b) our independent non-executive Directors will review the underlying transactions entered into pursuant to the Technology and Traffic Support Services Framework Agreement on an annual basis and confirm in our annual reports the matters set out in Rule 14A.55 of the Listing Rules;
- (c) we will comply with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules if there is any material change to the terms of the Technology and Traffic Support Services Framework;
- (d) we will engage an external auditor to report on, among other things, transactions contemplated in the Technology and Traffic Support Services Framework Agreement

CONNECTED TRANSACTIONS

pursuant to Rule 14A.56 of the Listing Rules. We will also ensure that the auditors are allowed sufficient access to our records for the purpose of reporting on the transactions contemplated in the Technology and Traffic Support Services Framework Agreement;

- (e) we and our Board will ensure that the relevant transactions under the Technology and Traffic Support Services Framework Agreement are undertaken in accordance with the terms of the Technology and Traffic Support Services Framework Agreement and will use our best endeavors to comply with such terms and the Listing Rules requirements applicable to the Technology and Traffic Support Services Framework Agreement to the extent not waived by the Stock Exchange;
- (f) we will disclose in this document (i) the background of entering into the Technology and Traffic Support Services Framework Agreement, (ii) the salient terms of the Technology and Traffic Support Services Framework Agreement, (iii) the grounds of application for waivers set out in the final waiver application(s) submitted to the Stock Exchange, and (iv) our Directors' and the Joint Sponsors' views on the fairness and reasonableness of the Technology and Traffic Support Services Framework Agreement as a whole; and
- (g) we will implement internal procedures so as to ensure that the Technology and Traffic Support Services Framework Agreement are undertaken in accordance with the terms provided therein and the underlying transaction agreements entered into pursuant to or governed by the Technology and Traffic Support Services Framework Agreement.

With Respect to Partially Exempt Continuing Connected Transactions: (5) Payment Services Framework Agreement, (6) Loyalty Program Framework Agreement, (7) Technology Services Framework Agreement, (8) Industrial Product Sales Framework Agreement and (9) Non-Industrial Product Procurement Framework Agreement

In relation to the transactions contemplated under (5) Payment Services Framework Agreement, (6) Loyalty Program Framework Agreement, (7) Technology Services Framework Agreement, (8) Industrial Product Sales Framework Agreement and (9) Non-Industrial Product Procurement Framework Agreement since the highest applicable percentage ratio is expected to be 0.1% or more but less than 5%, the transactions contemplated thereunder are exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules.

We have applied for, and the Stock Exchange has granted us, a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of these transactions, provided that the total values of these transactions for each of the three years ending December 31, 2027 will not exceed the relevant proposed annual caps above.

With Respect to Non-exempt Continuing Connected Transactions: (10) Marketing Services Framework Agreement, (11) Supply Chain Solutions and Logistics Services Framework Agreement, (13) Shared Services Framework Agreement and (14) Factoring Services Framework Agreement

In respect of transactions contemplated under (10) Marketing Services Framework Agreement, (11) Supply Chain Solutions and Logistics Services Framework Agreement, (13) Shared Services

CONNECTED TRANSACTIONS

Framework Agreement and (14) Factoring Services Framework Agreement, as the highest applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules for the three years ending December 31, 2027 are expected to be more than 5% on an annual basis. Accordingly, the continuing connected transactions under these framework agreements are 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.

As the above continuing connected transactions are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement and independent Shareholders' approval requirements will be impractical, and such requirements will lead to unnecessary administrative costs and create an onerous burden on us. Accordingly, we have applied for, and the Stock Exchange has granted us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement and independent Shareholders' approval requirements under Rule 14A.35 and Rule 14A.36 of the Listing Rules in respect of these transactions, provided that the total amount of transactions for each of the three years ending December 31, 2027 will not exceed the relevant proposed annual caps as set out in this section. Any material changes to the terms of these continuing connected transactions will be approved by independent shareholders. The independent non-executive Directors and auditors of the Company will review annually whether the transactions under the above continuing connected transactions have been entered into pursuant to the principal terms and pricing policies under the relevant framework agreements as disclosed in this section pursuant to Rules 14A.55 to 14A.59 of the Listing Rules. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

The Contractual Arrangements

In respect of the Contractual Arrangements and the New Intergroup Agreements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a 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:

No change without independent non-executive Directors' approval

Save as described below, no change to the Contractual Arrangements (including with respect to any fees payable to the WFOE thereunder) will be made without the approval of our independent non-executive Directors.

No change without independent Shareholders' approval

Save as described below, no change to the agreements governing the Contractual Arrangements will be made without the approval of our independent Shareholders. Once the independent Shareholders' approval of any change has been obtained, no further announcement or approval by the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company will however continue to be applicable.

CONNECTED TRANSACTIONS

Economic benefits and flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through (i) our Group's options (if and when so allowed under the applicable PRC laws) to acquire, all or part of the equity interests in the Consolidated Affiliated Entities for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations, (ii) the business structure under which the profit generated by the Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to the WFOE by our Consolidated Affiliated Entities under the Contractual Arrangements, and (iii) our Group's right to control the management and operation of, as well as, in substance, a substantial portion of the voting rights of the Consolidated Affiliated Entities.

Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between, on the one hand, our Company and the subsidiaries in which our Company has direct shareholding and, on the other hand, the Consolidated Affiliated Entities, this framework may be renewed and/or reproduced without an announcement, circular, or obtaining the approval of our Shareholders (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.

The directors, chief executive or substantial shareholders of 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 will, upon renewal and/or reproduction of the Contractual Arrangements, be treated as connected persons of our Group and transactions between these connected persons and our Group other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

This condition is subject to relevant PRC laws, regulations and approvals. Any such renewed or reproduced agreements will be on substantially the same terms and conditions as the existing Contractual Arrangements.

Ongoing reporting and approvals

We will disclose details relating to the Contractual Arrangements on an ongoing basis:

- the Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules;
- our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report that for the relevant year (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, and (iii) any new contracts entered into, renewed or reproduced between our Group and

CONNECTED TRANSACTIONS

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;

- our Company's auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange, confirming that the transactions have been approved by our Board, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;
- for the purpose of Chapter 14A of the Listing Rules, and in particular the definition of 'connected person', our Consolidated Affiliated Entities will be treated as our Company's wholly-owned subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and their associates will be treated as connected persons of our Company as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities themselves), and therefore transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules; and
- our Consolidated Affiliated Entities will, for so long as our Shares are listed on the Stock Exchange, provide our Group's management and our Company's auditors with full access to their relevant records for the purpose of reporting on the connected transactions.

CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that:

- (a) the continuing connected transactions set out above have been entered into in the ordinary and usual course of our business, on normal commercial terms or better, on terms that are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole;
- (b) the proposed annual caps in respect of the partially-exempt and non-exempt continuing connected transactions set out above are fair and reasonable and in the interests of our Company and our Shareholders as a whole;
- (c) the term of the IP Licensing Framework Agreement, which is longer than three years, is in the normal business practice of our Company and is in the interests of our Company and our Shareholders as a whole and it is a normal business practice for intellectual property license agreements to be of a similar or longer duration in order to minimize the possibility of disruption of the Group's business operation and the occurrence of unnecessary costs; and
- (d) the non-monetary annual cap of the Technology and Traffic Support Services Framework Agreement set out above is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CONNECTED TRANSACTIONS

CONFIRMATION BY THE JOINT SPONSORS

Based on the documentation, information and data (including historical transaction amounts) provided by the Company, the representations and confirmations provided by the Company and the Directors to the Joint Sponsors, the representations and information provided by the industry consultant of the Company to the Joint Sponsors, and the Joint Sponsors' participation in due diligence and discussions, the Joint Sponsors are of the view that:

- (a) the aforesaid continuing connected transactions for which a waiver has been sought have been entered into in the ordinary and usual course of the Company's business, on normal commercial terms or better, that are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole;
- (b) the proposed annual caps in respect of the partially-exempt and non-exempt continuing connected transactions set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (c) it is in the normal business practice of the Company and in the interests of the Company and the Shareholders as a whole to enter into the IP Licensing Framework Agreement with a term longer than three years; and
- (d) the non-monetary annual cap of the Technology and Traffic Support Services Framework Agreement set out above is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Upon Listing, our Board will consist of six Directors, including one executive Director, two non-executive Directors and three independent non-executive Directors. The following table sets out certain information in respect of our Directors:

Name	Age	Position(s)	Date of joining our Group	Date of appointment	Roles and responsibilities
Directors					
Chunzheng Song (宋春正)	48	Executive Director and chief executive officer	July 2017	June 10, 2020	Overall strategic planning and business direction
Richard Qiangdong Liu (劉強東)	52	Chairman and non-executive Director	October 2021	October 13, 2021	Provide strategic advice to the Board
Bingdong Xu (徐炳東)	46	Non-executive Director	June 2020	June 10, 2020	Provide strategic advice to the Board
Hanhui Sam Sun (孫含暉)	53	Independent non-executive director	Listing Date	Listing Date	Provide independent opinion and judgment to the Board
Xin Tang (湯欣)	54	Independent non-executive director	Listing Date	Listing Date	Provide independent opinion and judgment to the Board
Po Fong Nancy Ku (顧寶芳)	69	Independent non-executive director	Listing Date	Listing Date	Provide independent opinion and judgment to the Board

Executive Director

Mr. Chunzheng Song (宋春正) is an executive Director and the chief executive officer of our Company. 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.

Non-executive Directors

Mr. Richard Qiangdong Liu (劉強東) is a non-executive Director and chairman of our Board. Mr. Liu has been the chairman of JD.com since its inception, and had served as the chief executive officer of JD Group until April 2022. Mr. Liu founded JD.com's business 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 nationwide television network. He was among

DIRECTORS AND SENIOR MANAGEMENT

“World’s 50 Greatest Leaders” named by Fortune Magazine in 2015. Mr. Liu currently serves as the chairman of the board and director of Jingdong Technology Holding Co., Ltd., JD Health International Inc. (HKEX: 6618 (HKD counter) and 86618 (RMB counter)), and JD Logistics, Inc. (HKEX: 2618), respectively.

Mr. Liu received his bachelor’s degree in sociology from Renmin University of China (中國人民大學) in July 1996 and an EMBA from China Europe International Business School (中歐國際工商學院) in October 2011.

Mr. Bingdong Xu (徐炳東) 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

Mr. Hanhui Sam Sun (孫含暉) is an independent non-executive Director with effect from the Listing Date. 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.

Professor Xin Tang (湯欣) is an independent non-executive Director with effect from the Listing Date. 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

DIRECTORS AND SENIOR MANAGEMENT

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.

Ms. Po Fong Nancy Ku (顧寶芳) is an independent non-executive Director with effect from the Listing Date. 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.

Save as disclosed in this section, the Directors have not held any other directorships in listed companies during the three years immediately prior to the Latest Practicable Date. There is no material matter relating to our Directors that needs to be brought to the attention of our Shareholders and the information of our Directors disclosed in this document comply with the requirements under Rule 13.51(2) of the Listing Rules in all material respects.

During the Track Record Period, Lei Xu, Sandy Ran Xu and Ningfeng Hu resigned from non-executive directors of the Company due to a shift in their business focus.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table provides information about members of our senior management (other than our executive Director):

Name	Age	Position(s)	Date of joining our Group	Date of appointment	Roles and responsibilities
Xuedong Wang (王雪東)	46	Chief financial officer	March 2024	March 20, 2024	Responsible for the Company's finance and capital market related matters

Mr. Xuedong Wang (王雪東) 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

Mr. Ming King Chiu (趙明璟), our company secretary, currently serves as 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 Shanghai Haohai Biological Technology Co., Ltd., a main board listed company in Hong Kong (HKEX: 6826); (2) the company secretary of Grace Wine Holdings Limited, a GEM listed company in Hong Kong (GEM: 8146); (3) the joint company secretary of CanSino Biologics Inc., a main board listed company in Hong Kong (HKEX: 6185); (4) the company secretary of Sheng Yuan Holdings Limited, a main board listed company in Hong Kong (HKEX: 851); (5) the company secretary of Loco Hong Kong Holdings Limited, a GEM listed company in Hong Kong (GEM: 8162); (6) the company secretary of JD Health International Inc., a main board listed company in Hong Kong (HKEX: 6618 (HKD counter) and 86618 (RMB counter)); (7) the company secretary of JD Logistics, Inc., a main board listed company in Hong Kong (HKEX: 2618); (8) the joint company secretary of China Construction Bank Corporation, a main board listed company in Hong Kong (HKEX: 0939); (9) 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); and (10) the company secretary of Horizon Construction Development Limited, a main board listed company in Hong Kong (HKEX: 9930).

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

DIRECTORS AND SENIOR MANAGEMENT

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 has been a chairman of the Professional Services Panel and a council member 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.

Management and corporate governance

Board Committees

Audit committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance 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. The audit committee comprises three members, namely Hanhui Sam Sun, Xin Tang and Po Fong Nancy Ku, with Hanhui Sam Sun (being our independent non-executive Director with the appropriate professional qualifications) as chair of the audit committee.

Remuneration committee

We have established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance 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. The remuneration committee comprises three members, namely Po Fong Nancy Ku, Chunzheng Song and Xin Tang, with Po Fong Nancy Ku as chair of the remuneration committee.

Nomination committee

We have established a nomination committee with written terms of reference in compliance with the Corporate Governance 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. The nomination committee comprises three members, namely Richard Qiangdong Liu, Po Fong Nancy Ku and Hanhui Sam Sun with Richard Qiangdong Liu as chair of the nomination committee.

Corporate Governance Code

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the Listing.

DIRECTORS AND SENIOR MANAGEMENT

Board diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our 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.

Management presence

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.12 of the Listing Rules. See "Waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance" for further details.

Remuneration

Our Directors receive remuneration, including salaries, allowances and benefits in kind, including our contribution to the pension plan on their behalf. For the details of the service contracts and appointment letters that we have entered into with our Directors, see the section headed "Statutory and General Information—C. Further Information about Our Directors—1. Particulars of Directors' service contracts and appointment letters" in Appendix IV to this document.

The aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans, discretionary bonuses and share-based payment expenses) for our Directors for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 was approximately RMB16.5 million, RMB28.2 million, RMB12.5 million and RMB4.0 million, respectively. Further information on the remuneration of each Director during the Track Record Period is set out in the Accountants' Report as set out in Appendix I to this document.

The five highest paid individuals of our Group included one director, one director, one director, and one director for each of the year and the six months ended June 30, 2025 during the Track Record Period. The aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans, discretionary bonuses and share-based payment expenses) for the remaining highest paid individuals for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 was approximately RMB20.0 million, RMB51.2 million, RMB20.8 million and RMB15.9 million, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above, no other payments have been paid or are payable, in respect of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 by our Company to our Directors.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors or past directors for the Track Record Period for the loss of office as director or any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

Compliance Adviser

We have appointed Haitong International Capital Limited as our Compliance Adviser pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company, among others, in the following circumstances:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and
- (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Adviser shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

Confirmation from our Directors

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on, in the case of Professor Xin Tang and Ms. Po Fong Nancy Ku, March 27, 2023 and in the case of other directors, March 28, 2023, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of our independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as at the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, as of the date of this document and immediately following the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding the shares to be issued under the Share Incentive Plans) the following persons will have an interest and/or short position (as applicable) in our Shares or underlying Shares which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other member of our Group:

<u>Name of Shareholder</u>	<u>Capacity / Nature of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of interest in our Company immediately before the Global Offering</u>	<u>Approximate percentage of interest in our Company after the Global Offering and the Conversion Adjustment</u>
JD Industrial Technology Limited ⁽¹⁾⁽²⁾⁽³⁾ . . .	Beneficial owner/ Interest in controlled corporation	1,925,608,574	78.09%	71.65%
JD.com ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Interest in controlled corporation	1,945,640,594	78.90%	72.39%

Notes:

- (1) JD Industrial Technology Limited is wholly-owned by JD.com. Under the SFO, JD.com is deemed to be interested in the Shares held by JD Industrial Technology Limited. For further information about the shareholding structure of JD.com, please refer to the section headed “Relationship with our Controlling Shareholders” in this document and “Statutory and General Information—C. Further Information about our Directors—3. Disclosure of Interests” in Appendix IV to this document.
- (2) 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.
- (3) 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. For further information on the shareholding structure of JD Industrial Technology LLC, please refer to the section headed “History, Reorganization and Corporate Structure—Major Shareholding Changes of our Company” of this document.
- (4) As of the Latest Practicable Date, 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. For further information on the shareholding structure of Magical Brush Limited, please refer to the section headed “History, Reorganization and Corporate Structure—Major Shareholding Changes of our Company” of this document.

Except as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding the shares to be issued under the Share Incentive Plans), have an interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other member of our Group.

CORNERSTONE INVESTORS

OVERVIEW

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together “**Cornerstone Investor(s)**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, for such number of Offer Shares (rounded down to the nearest whole board lot of 200 Shares) that may be purchased at the Offer Price of an aggregate amount of up to approximately US\$170 million (or approximately HK\$1,324 million, calculated based on the exchange rate set out in the section headed “Information About this Document and the Global Offering—Exchange Rate Conversion”) and exclusive of brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee (each a “**Cornerstone Investment**” and collectively, the “**Cornerstone Placing**”).

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors’ confidence in our Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of our Company. Save for our Shareholders and close associates of our Shareholders, our Company became acquainted with each of the Cornerstone Investors in its ordinary course of business through the Group’s business network or through introduction by our Company’s business partners/the Overall Coordinators in the Global Offering.

The Cornerstone Placing will form part of the International Offering, and save as otherwise consented to by the Stock Exchange in accordance with Chapter 4.15 of the Guide for New Listing Applicants, the Cornerstone Investors and their respective close associates will not acquire any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be acquired by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue following the Global Offering of the Company and will be counted towards the public float of our Company under Rule 8.08(1) of the Listing Rules.

Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Global Offering, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

As confirmed by each of the Cornerstone Investors, their subscription under the Cornerstone Placing would be financed by their own internal financial resources and they have sufficient funds to settle the respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing.

The Cornerstone Investors have agreed to fully pay for the relevant Offer Shares that they have subscribed before dealings in the Company’s Shares commence on the Stock Exchange. Each of AIM, CoreView and Schonfeld (each as defined below) has agreed that the Company, the Joint Sponsors and the Overall Coordinators as joint representatives in their sole discretion may defer the delivery of all or any part of the Offer Shares it will subscribe to on a date later than the Listing Date. Such delayed

CORNERSTONE INVESTORS

delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. There will be no delayed delivery arrangements for the other Cornerstone Investors. There will be no deferred settlement of payment of the investment amounts for any Cornerstone Investor under the Cornerstone Investment Agreements.

The Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering. If the total demand for Shares in the Hong Kong Public Offering falls within the circumstance as set out in the section headed “Structure of the Global Offering—The Hong Kong Public Offering— Reallocation”, the Overall Coordinators and the Company have the sole and absolute discretion, but are not obliged, to deduct the number of Offer Shares to be subscribed by the Cornerstone Investors on a *pro rata* basis under the Hong Kong Public Offering pursuant to Practice Note 18 of the Listing Rules. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by us on or around Wednesday, December 10, 2025.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing:

1. M&G

M&G Investments comprises management companies and/or investment managers whose ultimate holding company is M&G plc, an English public limited company, headquartered in London, United Kingdom, which was formed in 2017 through the merger of Prudential plc’s UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange (LON: MNG) in October 2019 and, together with its subsidiaries (including M&G Investment Management Limited as investment manager to M&G ASIAN FUND, M&G ASIAN (LUX) FUND, THE PRUDENTIAL ASSURANCE COMPANY LIMITED, M&G FUNDS (1) ASIA PACIFIC (EX JAPAN) EQUITY FUND, M&G (ACS) CHINA FUND, DNA - M&G (LUX) DYNAMIC ALLOCATION FUND, M&G CHINA FUND, M&G (LUX) CHINA FUND and M&G GLOBAL EMERGING MARKETS FUND (collectively, the “**M&G Investors**”)) are a leading international savings and investments business, with £365 billion of assets under management and administration (as at November 30, 2025), managing money for more than 4.5 million retail clients and more than 900 institutional clients across 39 offices and six continents.

The investment in the Company is being made by the M&G Investors, which are funds managed by M&G Investments.

2. CPE Investment

CPE Elm Investment Limited (“**CPE Investment**”) is a business company incorporated under the laws of the BVI and its primary business activity is investment holding. It is wholly owned by CPE Global Opportunities Fund II, L.P. (“**CPE GOF II**”), an exempted limited partnership formed under the laws of the Cayman Islands. The general partner of CPE GOF II is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in the

CORNERSTONE INVESTORS

Cayman Islands with limited liability. CPE Management International II Limited is owned by a number of shareholders that are natural persons, none of whom holds 30% or more interests in CPE Management International II Limited. CPE GOF II's investor base comprises both corporate and entrepreneurial investors, none of the limited partners hold 30% or more interest in CPE GOF II.

3. AIM

Anatole Investment Management Limited (“**AIM**”) was founded in 2016 and is an international investment management firm based in Hong Kong. It is licensed under the SFO to conduct Type 9 (Asset Management) regulated activities in Hong Kong. The ultimate beneficial owner of AIM is Mr. Xiaofan Yang through his indirect ownership and/or investment control in AIM. AIM has agreed to procure certain investors, namely Anatole Partners Master Fund, L.P. and/or Anatole Partners Enhanced Master Fund, L.P. (collectively, “**AIM Funds**”), that AIM has discretionary investment management power over, to subscribe for the Offer Shares. AIM Funds are managed by AIM as investment manager. Save for Mr. Xiaofan Yang, no other single ultimate beneficial owner holds 30% or more interests and/or investment control in AIM Funds. As of October 2025, the total AUM of AIM Funds is approximately US\$1.1bn.

4. IvyRock

IvyRock Asset Management (HK) Limited (“**IvyRock**”) is incorporated in Hong Kong with limited liability and licensed by the SFC to carry on type 9 (asset management) regulated activity. The firm is ultimately owned by Mr. Yong HUANG.

IvyRock is a discretionary investment manager of certain commingled funds and institutional separate managed account (together, the “**IvyRock Funds**”). IvyRock subscribes for the Offer Shares through Ivyrock China Focus Master Fund, IvyRock China Equity Master Fund and ABS Direct Equity Fund LLC, Asia Series 6. None of the investors of Ivyrock China Focus Master Fund and ABS Direct Equity Fund LLC, Asia Series 6 holds 30% or more equity interest therein. The only investor which holds 30% or more equity interest in IvyRock China Equity Master Fund is KI FENGCAI, an Independent Third Party.

5. CoreView

CoreView Capital Management Limited (“**CoreView**”) is a limited liability company incorporated in Hong Kong and licensed by the Hong Kong SFC to carry out type 9 (asset management) regulated activity. The ultimate beneficial owners of CoreView are Independent Third Parties Mr. Vincent Leyi Gao and Ms. Yijun Jiang. CoreView is the investment manager of CoreView Master Fund Limited, a Cayman Islands exempted company incorporated with limited liability, and deploys a fundamental research-driven approach to making long-term investments in high quality businesses in Asia and globally. There is no individual underlying investor that has 30% or more beneficial ownership in the CoreView Master Fund Limited.

6. Schonfeld

Schonfeld Strategic Advisors (Hong Kong) Limited (“**SSA Hong Kong**”) acts as a sub-investment manager to (i) Schonfeld Global Master Fund L.P. (“**GMF**”) on behalf of its principal investment manager, Schonfeld Strategic Advisors LLC (“**SSA LLC**”) and (ii) Schonfeld IR Master Fund Pte. Ltd. (“**IRMF**”) on behalf of its principal investment manager, Schonfeld Strategic Advisors

CORNERSTONE INVESTORS

Pte. Ltd. (“**SSA Singapore**”). GMF and IRMF are the cornerstone investors. SSA Hong Kong is one of the investment management entities in the Schonfeld Group (SSA Hong Kong, together with SSA LLC, SSA Singapore and its affiliated entities, are collectively referred to herein as “**Schonfeld**”). Schonfeld is a global, diversified alternative investment management firm and seeks to pursue a diverse range of investment strategies across industry sectors, asset classes and geographies. An Independent Third Party based in the United States of America has a controlling ownership interest of greater than 30% in Schonfeld but is not an officer of Schonfeld. GMF is incorporated in the Cayman Islands and IRMF is incorporated in Singapore. SSA Hong Kong is licensed by the Securities and Futures Commission of Hong Kong. The ultimate beneficial owner of the cornerstone investors is Schonfeld Strategic Partners Fund LLC which, as of March 1, 2025, owns 70.00% of GMF and 99.77% of IRMF. No single entity including the Independent Third Party has an ultimate beneficial ownership interest that is 30% or more in Schonfeld Strategic Partners Fund LLC. Steven Schonfeld is the founder of Schonfeld.

7. **Burkehill**

Burkehill Global Management, LP (“**Burkehill**”) serves as the discretionary investment manager to Burkehill Fund Ltd, a Cayman Islands exempted company (the “**Arleigh Fund**”) and Burkehill Master Fund LP, a Cayman Islands exempted limited partnership (the “**Admiral Fund**”, and collectively with the Arleigh Fund, the “**Burkehill Funds**”). Christopher Rich serves as Managing Partner and the only ultimate beneficial owner holding 30% or more interest of Burkehill, the Managing Member of Burkehill Global LLC (the general partner of Burkehill), and the Managing Member of Burkehill Fund GP LLC (the general partner of the Admiral Fund). No single ultimate beneficial owner holds 30% or more interest in the Burkehill Funds.

Burkehill is a Delaware limited partnership and is registered as an investment adviser with the United States Securities and Exchange Commission. Burkehill is a global investment management firm which pursues its investment strategies across industry sectors, asset classes and geographies.

M&G Investors comprise The Prudential Assurance Company Limited, an existing shareholder, and other investors that are close associates of the existing minority Shareholder, The Prudential Assurance Company Limited. CPE Investment is close associate of the existing minority Shareholder, C-Open Education Investment Limited. We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.04 of, and consent under Paragraph 1C(2) of Appendix F1 to, the Listing Rules in relation to the subscription of the Offer Shares as cornerstone investors by M&G Investors and CPE Investment. Please refer to the section headed “Waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Waiver from Strict Compliance with Rule 10.04 of the Listing Rules and the Stock Exchange’s Consent under Paragraph 1C of Appendix F1 to the Listing Rules in respect of Subscriptions of Offer Shares by Existing Shareholder and Close Associates of Existing Shareholders as Cornerstone Investors” for further details.

Upon Listing, none of the Cornerstone Investors or their close associates will, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors and their close associates will hold 10% or more of the total issued Shares.

Other than as disclosed above with respect to M&G Investors and CPE Investment, to the best knowledge of our Company, each of the Cornerstone Investors is: (i) an Independent Third Party and

CORNERSTONE INVESTORS

not a connected person of the Company; (ii) independent of other Cornerstone Investors; (iii) not accustomed to take instructions from us, our Directors, chief executive, Controlling Shareholders, substantial shareholders, existing Shareholders or any of our subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares; and (iv) not financed by us, our Directors, chief executive, Controlling Shareholders, substantial shareholders, existing Shareholders or any of our subsidiaries or their respective close associates.

THE CORNERSTONE PLACING

Based on the Offer Price of HK\$12.70 per Offer Share, being the low-end of the indicative Offer Price range, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 104,220,000, representing approximately 49.3% of the Offer Shares pursuant to the Global Offering and approximately 3.9% of our total issued share capital immediately upon completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding Shares to be issued under the Share Incentive Plans).

The table sets out the details of the Cornerstone Placing, based on a final Offer Price of HK\$12.70 per Share (being the low-end of the indicative Offer Price range):

Cornerstone Investor	Subscription amount (US\$ in millions)	Assuming a final Offer Price of HK\$12.70 per Share (being the low-end of the indicative Offer Price range)				
		Number of Offer Shares to be acquired ⁽¹⁾	Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
			% of the Offer Shares	% of the issued share capital ⁽²⁾	% of the Offer Shares	% of the issued share capital ⁽²⁾
M&G	85	52,110,200	24.7%	1.9%	21.5%	1.9%
CPE Investment	30	18,391,800	8.7%	0.7%	7.6%	0.7%
AIM	20	12,261,200	5.8%	0.5%	5.0%	0.5%
IvyRock	15	9,195,800	4.4%	0.3%	3.8%	0.3%
CoreView	10	6,130,600	2.9%	0.2%	2.5%	0.2%
Schonfeld	5	3,065,200	1.5%	0.1%	1.3%	0.1%
Burkehill	5	3,065,200	1.5%	0.1%	1.3%	0.1%
Total	170	104,220,000	49.3%	3.9%	42.9%	3.8%

Based on the Offer Price of HK\$14.10 per Offer Share, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 93,871,800, representing approximately 44.4% of the Offer Shares pursuant to the Global Offering and approximately 3.5% of our total issued share capital immediately upon completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding Shares to be issued under the Share Incentive Plans).

CORNERSTONE INVESTORS

The table sets out the details of the Cornerstone Placing, based on a final Offer Price of HK\$14.10 per Share (being the mid-point of the indicative Offer Price range):

Cornerstone Investor	Subscription amount (US\$ in millions)	Number of Offer Shares to be acquired ⁽¹⁾	Assuming a final Offer Price of HK\$14.10 per Share (being the mid-point of the indicative Offer Price range)			
			Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
			% of the Offer Shares	% of the issued share capital ⁽²⁾	% of the Offer Shares	% of the issued share capital ⁽²⁾
M&G	85	46,936,200	22.2%	1.7%	19.3%	1.7%
CPE Investment	30	16,565,600	7.8%	0.6%	6.8%	0.6%
AIM	20	11,043,800	5.2%	0.4%	4.5%	0.4%
IvyRock	15	8,282,800	3.9%	0.3%	3.4%	0.3%
CoreView	10	5,521,800	2.6%	0.2%	2.3%	0.2%
Schonfeld	5	2,760,800	1.3%	0.1%	1.1%	0.1%
Burkehill	5	2,760,800	1.3%	0.1%	1.1%	0.1%
Total	170	93,871,800	44.4%	3.5%	38.6%	3.5%

Based on the Offer Price of HK\$15.50 per Offer Share, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 85,392,800, representing approximately 40.4% of the Offer Shares pursuant to the Global Offering and approximately 3.2% of our total issued share capital immediately upon completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding Shares to be issued under the Share Incentive Plans).

The table sets out the details of the Cornerstone Placing, based on a final Offer Price of HK\$15.50 per Share (being the high-end of the indicative Offer Price range):

Cornerstone Investor	Subscription amount (US\$ in millions)	Number of Offer Shares to be acquired ⁽¹⁾	Assuming a final Offer Price of HK\$15.50 per Share (being the high-end of the indicative Offer Price range)			
			Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
			% of the Offer Shares	% of the issued share capital ⁽²⁾	% of the Offer Shares	% of the issued share capital ⁽²⁾
M&G	85	42,696,800	20.2%	1.6%	17.6%	1.6%
CPE Investment	30	15,069,400	7.1%	0.6%	6.2%	0.6%
AIM	20	10,046,200	4.8%	0.4%	4.1%	0.4%
IvyRock	15	7,534,600	3.6%	0.3%	3.1%	0.3%
CoreView	10	5,023,000	2.4%	0.2%	2.1%	0.2%
Schonfeld	5	2,511,400	1.2%	0.1%	1.0%	0.1%
Burkehill	5	2,511,400	1.2%	0.1%	1.0%	0.1%
Total	170	85,392,800	40.4%	3.2%	35.2%	3.1%

Notes:

- (1) Subject to rounding down to the nearest whole board lot of 200 Offer Shares. Calculated based on the exchange rate set out in the section headed “Information About this Document and the Global Offering—Exchange Rate Conversion”.
- (2) Immediately upon completion of the Global Offering and the Conversion Adjustment and excluding Shares to be issued pursuant to the Share Incentive Plans.
- (3) Percentages in the above tables are approximations and subject to rounding.

CORNERSTONE INVESTORS

CLOSING CONDITIONS

The obligation of the Cornerstone Investors to subscribe for the Offer Shares under their Cornerstone Investment Agreements is subject to, among other things, the following closing conditions:

- (a) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;
- (b) the Offer Price having been agreed upon between the Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares to be subscribed for by the Cornerstone Investors in the International Offering as well as other applicable waivers and approvals) and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (d) no laws shall have been enacted or promulgated by any applicable governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreement and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (e) the respective representations, warranties, undertakings, acknowledgements and confirmations of the Cornerstone Investor under their respective Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Listing Date) accurate, true and complete in all respects or accurate and true in all material respects (as the case may be) and not misleading or deceptive and that there is no material breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that it will not, whether directly or indirectly, at any time during the period commencing from (and inclusive of) the Listing Date and ending on (and inclusive of) the date falling six (6) months starting from and inclusive of the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that it has purchased pursuant to the Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of our authorized share capital and the amount in issue and to be issued as fully paid or credited as fully paid immediately prior to and following completion of the Global Offering assuming that (i) the Global Offering becomes unconditional and the Offer Shares are issued pursuant to the Global Offering, (ii) the Over-allotment Option is not exercised, (iii) the shares to be issued under the Share Incentive Plans are not included, and (iv) each Preference Share is converted into one Share:

Authorized share capital at the date of this document

Shares	Approximate aggregate nominal value of Shares
100,000,000,000	US\$50,000

Issued Share Capital

The issued share capital of our Company immediately following the completion of the Global Offering before the Conversation Adjustment will be as follows:

Number of Shares	Description of Shares	Approximate aggregate nominal value of Shares (US\$)	% of the issued share capital
2,465,941,861	Shares in issue as of the date of this document	1,232.97	92.11%
211,208,800	Shares to be issued under the Global Offering	105.60	7.89%
2,677,150,661	Shares in total	1,338.58	100.00%

The issued share capital of our Company immediately following the completion of the Global Offering and the Conversion Adjustment will be as follows:

Number of Shares	Description of Shares	Approximate aggregate nominal value of Shares (US\$)	% of the issued share capital
2,465,941,861	Shares in issue as of the date of this document	1,232.97	91.75%
221,628,370	Shares to be issued under the Global Offering and the Conversion Adjustment	110.81	8.25%
2,687,570,231	Shares in total	1,343.79	100.00%

The tables above do not take into account any Shares which may be issued or repurchased by us under the general mandates granted to our Directors as referred to below.

Ranking

The Offer Shares are ordinary shares in our share capital and rank equally with all Shares currently in issue and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document.

POTENTIAL CHANGES TO SHARE CAPITAL

Circumstances under which general meeting and class meeting are required

Our Company may by ordinary resolution of Shareholders (i) increase its capital; (ii) consolidate and divide its capital into shares of larger amount; (iii) subdivide its shares into shares

SHARE CAPITAL

of smaller amount; and (iv) cancel any shares which have not been taken. In addition, our Company may reduce its share capital or capital redemption reserve by its shareholders passing a special resolution.

See “Summary of the Constitution of the Company and Cayman Islands Company Law—Articles of Association—Alteration of capital” in Appendix III to this document for further details.

Subject to the Cayman Companies Act, if at any time the share capital of our Company is divided into different classes of shares, all or any of the rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied or abrogated either with the consent in writing of the holders of not less than three-fourths of the voting rights of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

See “Summary of the Constitution of the Company and Cayman Islands Company Law—Articles of Association—Variation of rights of existing shares or classes of shares” in Appendix III to this document for further details.

General mandate to issue Shares

Subject to the Global Offering becoming unconditional, our Directors were granted a general mandate to allot, issue and deal with any Shares or securities convertible into Shares (including the resale or transfer of treasury shares by our Company) of not more than the sum of:

- 20% of the total number of Shares in issue immediately following completion of the Global Offering and the Conversion Adjustment (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and the shares to be issued under the Share Incentive Plans); and
- the total number of Shares repurchased by our Company pursuant to the authority referred to in “—General mandate to repurchase Shares” below.

This general mandate to issue Shares will remain in effect until the earliest of:

- the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;
- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and the articles of association of our Company; and
- the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority.

General mandate to repurchase Shares

Subject to the Global Offering becoming unconditional, our Directors were granted a general mandate to repurchase our own Shares up to 10% of the total number of Shares in issue immediately

SHARE CAPITAL

following completion of the Global Offering and the Conversion Adjustment (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and excluding the shares to be issued under the Share Incentive Plans).

This mandate only relates to repurchases on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, and in accordance with all applicable laws and the requirements under the Listing Rules or equivalent rules or regulations of any other stock exchange as amended from time to time.

This general mandate to repurchase Shares will remain in effect until the earliest of:

- the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;
- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and the articles of association of our Company; and
- the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority.

See “Statutory and General Information—Further Information About Our Group—Explanatory Statement on Repurchase of Our Own Securities” in Appendix IV to this document for further details of this general mandate to repurchase Shares.

Share Incentive Plans

We adopted the Pre-IPO ESOP on December 30, 2021. See “Statutory and General Information—D. Share Incentive Plans—1. Pre-IPO ESOP” in Appendix IV to this document for further details.

We adopted the Post-IPO First Share Scheme on November 27, 2025 and Post-IPO Second Share Scheme on November 26, 2025, respectively. See “Statutory and General Information—D. Share Incentive Plans—2. Post-IPO First Share Scheme” and “Statutory and General Information—D. Share Incentive Plans—3. Post-IPO Second Share Scheme” in Appendix IV to this document for further details.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements and the notes thereto included in the Accountants' Report in Appendix I to this document. This consolidated financial information includes the financial information of our discontinued operations, which we disposed of in September 2022. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on our assumptions and analyzes in light of our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this document. For further details, see "Forward-Looking Statements."

OVERVIEW

We are the leading industrial supply chain technology and service provider in China. Through transformative digitalization of the industrial supply chain, we help our customers increase supply chain reliability, reduce costs, enhance efficiency, and ensure compliance.

We started our supply chain technology and service business in 2017 focusing on MRO procurement service. Throughout years of development, we have established ourselves as the largest player in the MRO procurement service market in China, ranking No.1 as measured by GMV in 2024, which is nearly three times the size of the next largest player, according to CIC. As we expanded our focus to encompass the broader industrial supply chain market, we have also emerged as the largest service provider in China's industrial supply chain technology and service sector, with a market share of 4.1%, in terms of GMV in 2024, according to CIC.

We have the broadest customer coverage in China's industrial supply chain technology and service market in 2024, according to CIC. In the twelve months ended June 30, 2025, we served approximately 11,100 key accounts. For the first half of 2025, our key accounts included around 60% of China's Fortune 500 companies and over 40% of Global Fortune 500 companies that had operations in China.

Our sustained growth in scale is a firm testament to the efficiency of our business model. We experienced significant revenue growth during the Track Record Period. We primarily generate revenue from sales of products and provision of services. Our total revenue from continuing operations increased from RMB14.1 billion in 2022 to RMB17.3 billion in 2023 and further to RMB20.4 billion in 2024, representing a CAGR of 20.1% from 2022 to 2024. Our total revenue from continuing operations increased by 18.9% from RMB8.6 billion in the six months ended June 30, 2024 to RMB10.3 billion in the six months ended June 30, 2025.

In 2022, 2023 and 2024, we recorded a net loss of RMB1.3 billion, a net profit of RMB4.8 million and a net profit of RMB761.6 million, respectively. In the six months ended June 30, 2024 and 2025, we recorded a net profit of RMB291.2 million and RMB451.3 million, respectively.

FINANCIAL INFORMATION

We review adjusted profit (non-IFRS measure) in evaluating our operating results and for financial and operational decision-making purposes. We define adjusted profit (non-IFRS measure) as profit or loss for the year from continuing operations, excluding share-based payment expenses, fair value changes of convertible preferred shares, loss on redesignation of convertible preferred shares, gain on repurchase of convertible preferred shares, listing expenses, and income tax effects of non-IFRS adjustments. By excluding the impact of these items which are non-cash in nature, we believe that the use of adjusted profit (non-IFRS measure) will provide investors with useful information in understanding and assessing our consolidated results of operations in the same manner as it helps our management. We recorded (i) an adjusted profit (non-IFRS measure) of RMB714.7 million, RMB817.7 million and RMB909.1 million in 2022, 2023 and 2024, respectively, representing a CAGR of 12.8% from 2022 to 2024; and (ii) an adjusted profit (non-IFRS measure) of RMB369.3 million and RMB495.4 million in the six months ended June 30, 2024 and 2025, respectively, representing a period-over-period growth rate of 34.1%. The increases in adjusted profit (non-IFRS measure) during the Track Record Period demonstrate the improving profitability of our business.

BASIS OF PRESENTATION

We were incorporated as an exempted company registered under the laws of the Cayman Islands in November 2019. Immediately prior to the incorporation of our Company, our business was managed by JD.com, Inc. We have become the holding company of the business previously managed by JD.com, Inc. after a series of reorganization transactions, including obtaining control over and becoming the primary beneficiary of Onshore Holdco by entering into a series of contractual arrangements with Onshore Holdco and its shareholders. In addition, in March 2019, we commenced a series of spin-off transactions (the “Spin-off”) for our remaining business operations conducted under certain subsidiaries and consolidated affiliated entities of JD Group (collectively, the “Remaining Listing Business”). We completed the Spin-off in June 2023.

We have adopted a “carve-out” approach to present our financial information in accordance with the “Carve outs” section in the HKSIR 200 and taken into consideration the recognition, measurement, presentation and disclosure requirements under IFRS, and disclosed the basis of preparation and presentation of historical financial information in note 1.2 and 3.1 to the Accountants’ Report as set out in Appendix I to this document. The Reporting Accountants’ opinion on the historical financial information for the Track Record Period as a whole is set out on pages I-1 to I-3 of Appendix I to this document. We and our Directors confirm that the segregation of certain financial data from the books and records of the Group to the revenue, income and expenditure attributable to our consolidated results of operations during the Track Record Period is fair, reasonable, complete and accurate.

In April 2020, we entered into the Series A Share Subscription Agreement for the Series A Preference Shares financing with certain third-party investors. Based on the terms stipulated in the Series A Share Subscription Agreement, pricing policies of certain related party transactions between us and JD Group/related parties of JD Group were established and became effective on June 10, 2020 (the “Closing Date”), which include logistics and warehousing services, technology and traffic support services, marketing services, loyalty program services, payment services, shared services and others.

In February 2023, we issued 246,166,972 ordinary shares to JD Industrial Technology Limited as a result of valuation adjustment agreed with the Series A Preference Shares investors mainly due to adjustments of the spin-off scope. The adjustments of the spin-off scope are treated as if it had been completed at the beginning of the Track Record Period.

FINANCIAL INFORMATION

After the Closing Date and before the completion of the Spin-off, to the extent the assets, liabilities, income and expenses are specifically identified to our business, such items are included in the historical financial information. To the extent the assets, liabilities, income and expenses are impracticable to be identified specifically, these items are allocated to us on certain bases (such items include fulfillment expenses, selling and marketing expenses, research and development expenses, general and administrative expenses and income tax expense). In particular, the income or expenses related to the Remaining Listing Business that were generated from or charged by JD Group on our behalf were included in the Historical Financial Information in accordance with the terms of related party transactions listed in the Series A Share Subscription Agreement, and the relevant trade receivables and payables were recognized as amounts due from/to related parties. Our Directors believe that the method of the allocation and the recognition of the above expense items form a reasonable basis of presenting the operating results of the Remaining Listing Business on a stand-alone basis. Items that do not meet the criteria above are not included in the historical financial information of our Group.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by general factors driving China's industrial supply chain technology and service industry. These factors include, among others, China's overall economic conditions, the growth of China's secondary industry, the development of digitalization of industrial supply chain technology and services, and the competitive landscape of China's industrial supply chain technology and service industry. Unfavorable changes in any of these general industry conditions could negatively affect the demand for our products and services and may materially and adversely affect our results of operations.

While our business is influenced by general factors affecting China's industrial supply chain service industry, we believe our results of operations are more directly affected by company-specific factors, including the following major factors:

- Our ability to expand customer base and increase customer spending with us;
- Our ability to scale up our business;
- Our ability to enhance operating efficiency;
- Our ability to effectively invest in technology; and
- Our ability to further optimize our working capital efficiency.

Our ability to expand customer base and increase customer spending with us

We generate revenue primarily from sales of products and provision of services to our customers. We served key accounts, SMEs and others during the Track Record Period. Our growth was primarily driven by our success in attracting new customers and driving additional spending from existing customers. Our GMV amounted to approximately RMB22.3 billion, RMB26.1 billion and RMB28.8 billion in 2022, 2023 and 2024, respectively, representing a CAGR of 13.5% from 2022 to 2024. Our GMV increased from approximately RMB12.5 billion in the six months ended June 30, 2024 to approximately RMB14.6 billion in the six months ended June 30, 2025.

We strategically focus on expanding our customer base of key accounts and continuously increase our wallet share in existing key accounts. The growth of our GMV attributable to key

FINANCIAL INFORMATION

accounts outpaced our overall GMV growth during the Track Record Period. Specifically, our GMV attributable to key accounts was approximately RMB9.5 billion, RMB11.6 billion and RMB13.1 billion in 2022, 2023 and 2024, respectively, representing a CAGR of 17.4% from 2022 to 2024. Our GMV attributable to key accounts was approximately RMB5.3 billion and RMB6.8 billion in the six months ended June 30, 2024 and 2025, respectively.

Our success in expanding our customer base has led to rapid growth in the number of key accounts during the Track Record Period. In 2022, 2023 and 2024 and the twelve months ended June 30, 2025, we served approximately 6.9 thousand, 9.5 thousand, 10.6 thousand and 11.1 thousand key accounts, respectively. Our designated digital procurement systems tailored to the needs of key accounts help increase our key accounts' overall stickiness and drive additional spending from existing key accounts. As a result, our key accounts have demonstrated strong loyalty with a dollar retention rate of 105.7% in 2024. New key accounts typically exhibit lower initial spending as they began integrating with our industrial supply chain technology and services, and would ramp up their spending over time. As we continually attracted new key accounts and expanded our customer base during the Track Record Period, the average GMV per key account fluctuated accordingly. Our average GMV per key account amounted to approximately RMB1.4 million, RMB1.2 million, RMB1.2 million and RMB1.3 million in 2022, 2023 and 2024 and the twelve months ended June 30, 2025, respectively.

Our GMV attributable to SMEs was approximately RMB6.4 billion, RMB8.3 billion, RMB9.3 billion, RMB3.6 billion and RMB5.0 billion in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. For SMEs, our ability to offer comprehensive value-for-money industrial products and fulfillment capabilities attracts new customers and encourages their spending with us.

Our growing GMV and customer base are supported by our end-to-end industrial supply chain digital infrastructure and related services. Our ability to continuously expand our customer base and increase customer spending depends on our ability to further advance our digital infrastructure and better address the pain points of industrial supply chain, including expanding our product offerings and services to cover additional industry verticals, product categories, use cases, and geographies. For example, we have expanded our footprint from general-purpose MRO products to professional MRO products, and are currently penetrating into BOM products.

Our ability to scale up our business

Our results of operations are directly affected by our ability to further scale up our business. To achieve this, we expect to further optimize the supply-end network of manufacturers, distributors and resellers, and obtain more favorable terms from them, including pricing terms and credit periods. We enable these manufacturers, distributors and resellers to make informed decisions and maintain efficient production or procurement processes, introduce a large number of customers to them, and streamline supply chain management for them, which will in turn attract more suppliers to join us and strengthen our bargaining power. As more of these manufacturers, distributors and resellers join us and we provide more SKUs with standardized product parameters and specifications, our customers will benefit from a massive assortment of quality industrial product offerings, which will in turn attract more customers, thereby creating a scalable, vibrant and dynamic ecosystem.

Our ability to enhance operating efficiency

We strive to constantly improve our operating efficiency by leveraging our experience and expertise in supply chain management and operations.

FINANCIAL INFORMATION

Our fulfillment expenses are a significant component of our operating expenses, which primarily consist of logistics and warehousing services expenses, employee benefit expenses, payment services expenses, and customer services expenses. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, fulfillment expenses accounted for 5.5%, 5.4%, 5.5%, 5.9% and 7.8% of our total revenue from continuing operations, respectively. We will continuously seek to streamline our operations and improve our supply chain and fulfillment management.

Our selling and marketing expenses are another significant component of our operating expenses, and they primarily consist of employee benefit expenses, expenses of technology and traffic support services allocated or provided by JD Group and promotion and advertising expenses. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, selling and marketing expenses accounted for 4.0%, 4.1%, 4.1%, 4.3% and 4.7% of our total revenue from continuing operations, respectively. To support our business growth, we may strategically enhance our selling and marketing efforts from time to time. We will continue to monitor and optimize the return on these investments.

Our ability to effectively invest in technology

Our results of operations depend in part on our ability to invest in technology cost-effectively. Our ability to attract and retain customers, suppliers and third-party merchants is affected by the breadth and depth of our industrial insights, our technology capabilities and infrastructure to develop, upgrade and expand our services, and our ability to continuously drive digitalization of the entire industrial supply chain and to timely adapt to rapidly evolving industry trends and customer preferences. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, research and development expenses accounted for 2.4%, 1.7%, 1.4%, 1.7% and 1.4% of our total revenue from continuing operations, respectively. We have made, and will continue to make, investments in our technology infrastructure to attract customers, suppliers and third-party merchants, aiming to deliver superior customer experience and expand our product and service offerings and scale.

In particular, we plan to continuously invest in our technological capabilities to create more advanced supply chain digitalization services that are transferrable across industries for our customers, thereby allowing us to enhance supply chain efficiencies at a much larger scale and under broader scenarios. We will also continue to strengthen our capabilities to develop technology and other services, which can be combined into an integrated service package to address our customers' comprehensive needs to empower the digital transformation of their industrial supply chains. We believe these investments will strengthen our technological advantages and increase our operating efficiency.

At the same time, we will closely monitor the overall headcount and organizational structure of our research and development team, pursuing higher efficiency and return on our research and development spending. While we expect an increase in our research and development expenses in the foreseeable future, we will strive to enhance operating leverage as our revenue continues to grow.

Our ability to further optimize our working capital efficiency

Instead of amassing heavy inventory in warehouses operated by us, we intelligently source supply by utilizing inventory available from distributors and resellers and production capacity from manufacturers. We also introduce and manage third-party merchants on our marketplace to offer a wide range of industrial products, including long-tail SKUs. In addition, we also maintain our own

FINANCIAL INFORMATION

inventory to better fulfill our customers' demand. We leverage accurate demand forecasts and an advanced fulfillment network to achieve efficient inventory management. By doing so, we are able to effectively optimize inventory levels, and achieved inventory turnover days attributable to continuing operations of 17.9 days, 13.8 days, 14.8 days and 23.1 days in 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively.

In addition, leveraging our strong synergistic collaboration in the JD ecosystem, particularly the supply chain financial technology service in relation to trade receivables provided by JD Technology, we are able to scale up rapidly while sustaining healthy working capital and cash conversion cycle. We will continue to enhance our industrial supply chain digital infrastructure to further optimize our working capital sufficiency and free up operating cash inflows.

IMPACT OF COVID-19 ON OUR OPERATIONS

The COVID-19 pandemic had materially and adversely affected the global economy. In response, since late January 2020, countries and regions around the world, including China, had imposed various measures to contain the spread of the COVID-19 pandemic.

Our results of operations and financial condition had been affected by the COVID-19 pandemic. In early 2020, the COVID-19 pandemic resulted in temporary closure of many corporate offices, manufacturing facilities and factories across China, and disturbed product logistics and delivery. These restrictions led to a decrease in demand and supply for industrial products and higher fulfillment expenses. As COVID-19 became gradually contained and business activities gradually recovered in China later in 2020 and 2021, our business operations across China and market demand and supply for industrial products gradually improved. In 2022, there were sporadic COVID-19 outbreaks in China due to the Delta and Omicron variants. The associated measures in various regions of China constrained the demand and supply for industrial products and disturbed logistics, which in turn adversely affected our growth and results of operations. China continuously optimized and adjusted COVID-19 prevention and control measures with the aim of protecting health, and lifted most of the travel restrictions and quarantine requirements in December 2022. There were significant increases of COVID-19 cases in many cities in China around this time, which adversely affected our operations and financial performance in the fourth quarter of 2022. On January 8, 2023, China downgraded the management of COVID-19 from Class A to Class B, and most of the pandemic control measures were therefore lifted or adjusted. Despite these challenges, we managed to achieve significant growth in our business. Our GMV increased from approximately RMB22.3 billion in 2022 to RMB26.1 billion in 2023 and further increased to RMB28.8 billion in 2024. Our total revenue from continuing operations increased from RMB14.1 billion in 2022 to RMB17.3 billion in 2023 and further increased to RMB20.4 billion in 2024. Considering our fast-growing operating and financial results during the Track Record Period and China's optimized and adjusted COVID-19 prevention and control measures since December 2022, our Directors are of the view, and the Joint Sponsors concur, that the COVID-19 pandemic did not cause any material adverse impact on us, and, barring any unforeseeable adverse development or resurgence of the COVID-19 pandemic, is not expected to cause any material adverse impact on us. For details about the risks we face in relation to COVID-19, see "Risk Factors—Risks Related to our Business and Industry—We face risks related to severe weather conditions and other natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations."

FINANCIAL INFORMATION

DISCONTINUED OPERATIONS

In March 2021, we acquired control of ICMALL, a company which primarily engages in the sales of electronic components, by entering into a voting proxy and power of attorney. As a result, we consolidated the financial results of ICMALL into our consolidated financial statements. In September 2022, we terminated the relevant voting proxy and power of attorney and ICMALL has been deconsolidated from our consolidated financial statements. Therefore, the results of operations of ICMALL are presented as discontinued operations for the year ended December 31, 2022. Please refer to “History, Reorganization and Corporate Structure—Major Acquisitions, Disposals and Mergers—Our Acquisition and Deconsolidation of ICMALL” of this document and notes 12 and 36 to the Accountants’ Report set out in Appendix I to this document.

Results of discontinued operations were accounted for as a separate line item as “Profit for the year from discontinued operations” in the consolidated statements of profit or loss and comprehensive income/(expense). Assets and liabilities of continuing and discontinued operations are presented in the consolidated statements of financial position on a consolidated basis. Cash flow of continuing and discontinued operations are presented in the consolidated statements of cash flows on a consolidated basis.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in notes 3 and 4 to the Accountants’ Report set out in Appendix I to this document.

Material Accounting Policy Information

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by us, liabilities incurred by us to the former owners of the acquiree and the equity interests issued by us in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the “Conceptual Framework”) except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and*

FINANCIAL INFORMATION

Contingent Assets or IFRIC 21 *Levies*, in which we apply IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognized.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of us entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in IFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

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 our 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

FINANCIAL INFORMATION

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).

On disposal of the relevant cash-generating unit or any of the cash-generating units within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When we dispose of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Revenue from contracts with customers

We recognize 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 our performance as we perform;
- our performance creates or enhances an asset that the customer controls as we perform; or
- our performance does not create an asset with an alternative use to us and we have 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.

We engage primarily in the sale of industrial products in the PRC, offer an online marketplace that enables third-party merchants to sell their products to customers, and provide technology and other services to our customers. Customers place orders for those products or services online primarily through our platform and JD Group's website. Payment for the purchased products or services is generally made either before delivery or after delivery.

We evaluate 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 we are a principal, which means that we obtain 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 we expect to be entitled in exchange for the specified goods or services transferred. When we are an agent and our obligation is to facilitate third parties in fulfilling their performance obligation for specified goods or services, in which case we do not control the specified goods or services provided by third parties before those goods or services are transferred to customers, the revenue should be recognized in the net amount for the amount of commission which we earn in exchange for arranging for the specified goods or services to be provided by other parties.

FINANCIAL INFORMATION

For contracts that contain more than one performance obligation, we allocate 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 we would sell a promised good or service separately to a customer. If an SSP is not directly observable, we estimate it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which we expect 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 our performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration such as right of return, we estimate the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which we 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, we update 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/exchange

For a sale of products with a right of return/exchange for dissimilar products, we recognize all of the following:

- (a) revenue for the transferred products in the amount of consideration to which we expect to be entitled (therefore, revenue would not be recognized for the products expected to be returned/exchanged);
- (b) a refund liability; and
- (c) an asset (and corresponding adjustment to cost of sales) for our right to recover products from customers and are presented as right to returned goods asset.

Product Revenue

We primarily conduct sales of industrial products. We recognize the product revenue from the online sales on a gross basis as we are acting as a principal in these transactions and are responsible for fulfilling the promise to provide the specified goods. Product revenue is recognized when the products are delivered and the title is passed to customers, net of discounts and return allowances.

FINANCIAL INFORMATION

Service Revenue

The service revenue primarily consists of commission fees charged to third-party merchants for participating in the marketplace mainly through our platform and JD Group's website. We generally are acting as an agent and our performance obligation is to arrange for the provision of the specified goods or services by those third-party merchants. Upon successful sales, we charge 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 third-party merchants.

We provide online marketing services to advertisers including third-party merchants and suppliers on our platform, JD Group's website and third-parties' 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. We recognize revenue from pay for performance marketing services at the point of time when each effective click is generated. We recognize 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.

We provide technology and other services to customers. We recognize revenue overtime during the service period or at the point when services are delivered to our customers. Revenue from such services is recognized on a gross basis when we have the ability to determine the pricing and nature of the services and are responsible for the services provided as we are acting as a principal and obtain control of the specified services before they are transferred to the customers. Revenue is recognized on a net basis when we charge commissions from such services as we are acting as an agent.

We also render platform services to the platform merchants, such as order management, client management, and other merchants operational and maintenance supports. The platform usage fees 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.

Foreign currency translation

Our presentation currency is RMB, which is different from our functional currency of USD. Our management adopted RMB as the presentation currency as our management controls and maintains the performance and financial position of the Group based on RMB. Our functional currency is USD as our key activities and transactions are denominated in USD. The functional currency of our subsidiaries incorporated in Cayman Islands, BVI and Hong Kong is USD. Our PRC subsidiaries and consolidated affiliated entities determined their functional currency to be RMB. Exchange differences relating to the retranslation of our net assets denominated in functional currencies to our 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 are not reclassified to profit or loss subsequently.

Share-based payments

Share-based awards to our employees and non-employees are granted under a share incentive plan of JD Group (the "JD Group Share Incentive Plan"). The consolidated financial statements

FINANCIAL INFORMATION

include allocation of the expenses recorded at JD Group based on our employees and non-employees participating under the JD Group Share Incentive Plan. JD Group grants its service-based restricted share units (“RSUs”) to our eligible employees and non-employees, which are treated as deemed contribution from JD Group and recorded in other reserves.

In 2021, we launched our Company’s Pre-IPO ESOP. Under the JD Industrials Share Incentive Plan, 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 payment 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 our estimate of equity instruments that will eventually vest, with a corresponding increase in equity (other reserves). At the end of each reporting period, we revise our 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.

Under Pre-IPO ESOP, when share options are exercised and the shares are issued, the amount previously recognized in other reserves will be transferred to share capital and 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 Pre-IPO ESOP, when RSUs granted are vested and the shares are issued, the amount previously recognized in other reserves will be transferred to share capital and share premium.

RSUs/share options granted to non-employees

Equity-settled share-based payment 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 service. The fair values of the goods or services received are recognized as expenses (unless the goods or services qualify for recognition as assets).

Modifications to equity-settled transactions

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair

FINANCIAL INFORMATION

value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period. The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

Taxation

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

The current tax is based on taxable profit for the year/period. Taxable profit differs from (loss)/profit before income tax because of income or expense that is taxable or deductible in other years or periods and items that are never taxable or deductible. Our current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time when the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where we are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

FINANCIAL INFORMATION

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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.

In assessing any uncertainty over income tax treatments, we consider whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Convertible Preferred Shares

Preference Shares are convertible at the option of the holders of Preference Shares or automatically converted under certain events. Preference Shares are not redeemable, but the Company is required to pay dividends to the holders of Preference Shares up to the purchase price of each series of the convertible preferred shares when certain conditions are met. Please refer to note 33 to the Accountants' Report set out in Appendix I to this document for details of our Preference Shares.

The convertible preferred shares are initially recognized at fair value. We do not account for the embedded derivatives separately from the host contract. We designate the entire convertible preferred shares as financial liabilities at fair value through profit or loss 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.

We recorded these financial instruments as financial liabilities at FVTPL for which no quoted prices in an active market exist. The fair value of the financial instruments is established by using valuation techniques, which include discounted cash flow and equity allocation involving various parameters and inputs to arrive at the fair value of the preferred shares at the end of each year of the Track Record Period. Valuation techniques are certified by an independent qualified professional valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. However, it should be noted that some inputs, such as fair value of the ordinary shares of the Company, possibilities under different scenarios, such as qualified listing, liquidation, and other inputs, including risk-free interest rate, expected volatility value and discount for lack of marketability, require management estimates. Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions change, that may lead to a change in the fair value of the financial liabilities at FVTPL.

We have instituted internal policies on valuation methodologies, models and procedures for valuation of level 3 financial liabilities. We perform valuation assessments of convertible preferred shares. We have engaged an independent qualified professional valuer to perform the relevant

FINANCIAL INFORMATION

valuation assessments. Our management team reviewed the external valuer's valuation analysis and result. We focus on the valuation methodologies, computation basis, key assumptions, qualifications of valuer, valuation methodologies and underlying rationales in such assessments.

To ensure that the valuation methodologies adopted are appropriate to reflect accurately the economic substance, our management team also performs risk assessments on (i) the effectiveness of its valuation models to enhance the reasonableness and reliability of such models periodically, and (ii) any material adjustments to existing valuation models or the implementation of any new valuation models. Our management team supervises the internal controls and implementation of the valuation policies and gives recommendations for improvement. Based on the above procedures, we agree with the valuation work for financial liabilities categorized within level 3 of fair value measurement in the Historical Financial Information for the purpose of the preparation of the Accountants' Report as referred to in Appendix I.

The Reporting Accountants, Deloitte Touche Tohmatsu, have carried out their work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants for the purpose of expressing an opinion on our Historical Financial Information for the Track Record Period as a whole. The Reporting Accountants' opinion on the Historical Financial Information of the Group for the Track Record Period as a whole is set out on pages I-1 to I-3 of Appendix I.

In relation to the fair value assessment of the financial assets and liabilities requiring level 3 measurements under the fair value classification, the Joint Sponsors have conducted relevant due diligence work, including but not limited to, (i) reviewing relevant notes and disclosure in the Accountants' Report as contained in Appendix I to this document and discussing with the Reporting Accountants on the audit procedures that it has taken on the Group's historical financial information as a whole; (ii) discussing with the Company, the Reporting Accountants and the valuers involved in the valuation on the methodology, key bases, assumptions and parameters for the valuation of the financial assets and liabilities, and independence and work scope of valuers; and (iii) obtaining and reviewing the valuation reports and credentials of the valuers. Having considered the work done by the Directors and the Reporting Accountants, and the relevant due diligence done as stated above, nothing material has come to the Joint Sponsors' attention that indicates that the Directors have not undertaken independent and sufficient investigation and due diligence, or that the Directors' reliance on the work products of the independent valuers is unreasonable or excessive.

Critical Accounting Estimates and Judgments

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

FINANCIAL INFORMATION

Consolidation of affiliated entities

We obtained control over a PRC domestic company, Onshore Holdco, 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 us with direct control over the PRC domestic company, and uncertainties presented by the PRC legal system could impede our 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 WFOE, Onshore Holdco, and its respective nominee shareholders are in compliance with the relevant PRC Laws and are legally enforceable.

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.

Rebates and subsidies

Rebates are earned upon reaching minimum purchase thresholds for a specified period. When volume rebates can be reasonably estimated based on our past experiences and current forecasts, a portion of the rebates is recognized as we make progress towards the purchase threshold. Subsidies are calculated based on the volume of products sold through us 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 financial assets

Fair value of financial assets, 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 and risk-free rate associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Please refer to note 37 to the Accountants' Report set out in Appendix I to this document.

Estimation of the fair value of the convertible preferred shares

The convertible preferred shares issued by the Company are not traded in an active market and the respective fair value is determined using valuation techniques. We applied the discounted 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 the convertible preferred shares. Please refer to note 33 to the Accountants' Report set out in Appendix I to this document.

Provision of ECL for trade receivables

Credit-impaired trade receivables are assessed for ECL individually. In addition, we use practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration our historical default rates and forward-looking information that is reasonable, supportable and available without undue costs or effort. At the end of each reporting

FINANCIAL INFORMATION

period, the historical observed default rates are reassessed and changes in the forward-looking information including forecast of gross domestic product ratio, forecast of consumer price index and other relevant factors are considered. The provision of ECL is sensitive to changes in estimates.

Impairment review of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value-in-use or fair value less costs of disposal. The value-in-use calculation requires us to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

SUMMARY OF OUR CONSOLIDATED RESULTS OF OPERATION

The following table sets forth our consolidated statements of profit or loss with line items in absolute amounts and as a percentage of our revenue from continuing operations for the years/periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(Unaudited)										
(in thousands, except percentages)										
Continuing operations										
Revenue	14,134,695	100.0	17,335,883	100.0	20,397,741	100.0	8,620,041	100.0	10,250,388	100.0
Cost of revenue	(11,593,787)	(82.0)	(14,537,219)	(83.9)	(17,084,356)	(83.8)	(7,163,426)	(83.1)	(8,348,798)	(81.4)
Gross profit	2,540,908	18.0	2,798,664	16.1	3,313,385	16.2	1,456,615	16.9	1,901,590	18.6
Fulfillment expenses	(781,599)	(5.5)	(942,606)	(5.4)	(1,126,706)	(5.5)	(506,080)	(5.9)	(796,213)	(7.8)
Selling and marketing expenses	(564,612)	(4.0)	(702,883)	(4.1)	(844,515)	(4.1)	(366,665)	(4.3)	(485,721)	(4.7)
Research and development expenses	(344,875)	(2.4)	(295,219)	(1.7)	(289,334)	(1.4)	(146,975)	(1.7)	(142,574)	(1.4)
General and administrative expenses	(142,600)	(1.0)	(314,841)	(1.8)	(193,710)	(0.9)	(90,313)	(1.0)	(90,962)	(0.9)
Other income and (losses)/gains, net	(36,513)	(0.3)	3,571	0.0	(25,227)	(0.1)	(38,100)	(0.4)	93,304	0.9
Finance income	158,559	1.1	287,401	1.7	293,277	1.4	160,266	1.9	129,426	1.3
Finance costs	(105,560)	(0.7)	(139,268)	(0.8)	(193,182)	(0.9)	(75,016)	(0.9)	(90,305)	(0.9)
Fair value changes of convertible preferred shares	(1,915,655)	(13.6)	(530,279)	(3.1)	(47,607)	(0.2)	(9,084)	(0.1)	(4,495)	(0.0)
Impairment losses under expected credit loss ("ECL") model, net of reversal	(417)	(0.0)	(4,182)	(0.0)	(3,778)	(0.0)	(6,594)	(0.1)	(1,988)	(0.0)
(Loss)/profit before income tax from continuing operations	(1,192,364)	(8.4)	160,358	0.9	882,603	4.3	378,054	4.4	512,062	5.0
Income tax expense	(191,734)	(1.4)	(155,559)	(0.9)	(120,995)	(0.6)	(86,807)	(1.0)	(60,748)	(0.6)
(Loss)/profit for the year/period from continuing operations	(1,384,098)	(9.8)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4

FINANCIAL INFORMATION

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(Unaudited)									
	(in thousands, except percentages)									
Discontinued operations										
Profit for the year/period from discontinued operations	114,966	0.8	—	—	—	—	—	—	—	—
(Loss)/profit for the year/period	(1,269,132)	(9.0)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4
(Loss)/profit for the year/period attributable to the owners of the Company:										
From continuing operations	(1,384,098)	(9.8)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4
From discontinued operations	49,970	0.4	—	—	—	—	—	—	—	—
	<u>(1,334,128)</u>	<u>(9.4)</u>	<u>4,799</u>	<u>0.0</u>	<u>761,608</u>	<u>3.7</u>	<u>291,247</u>	<u>3.4</u>	<u>451,314</u>	<u>4.4</u>
Non-IFRS Measure:⁽¹⁾										
Adjusted profit (non-IFRS measure) for the year/period	714,670	5.1	817,710	4.7	909,134	4.5	369,346	4.3	495,440	4.8

(1) See “—Non-IFRS Measure: Adjusted Profit (Non-IFRS Measure) for the Year/Period.”

NON-IFRS MEASURE: ADJUSTED PROFIT (NON-IFRS MEASURE) FOR THE YEAR/PERIOD

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRSs. We believe adjusted profit (non-IFRS measure) facilitates comparisons of operating performance from period to period and company to company.

We believe adjusted profit (non-IFRS measure) provides 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 adjusted profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit (non-IFRS measure) 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 adjusted profit (non-IFRS measure) as profit or loss for the year/period from continuing operations, excluding share-based payment expenses, fair value changes of convertible preferred shares, loss on redesignation of convertible preferred shares, gain on repurchase of convertible preferred shares, listing expenses, and income tax effects of non-IFRS adjustments. We adjust these items because they are not expected to result in future cash payments or incomes.

- We account for the compensation cost from share-based payment transactions with employees based on the grant-date fair value of the equity instrument issued by us and JD Group. The reconciling item is non-cash and does not result in cash outflow, and the adjustment has been consistently made during the Track Record Period.
- We account for the convertible preferred shares as financial liabilities at fair value through profit or loss. The fair value of convertible preferred shares has been determined by using the income approach and is affected primarily by the changes in our equity value. The

FINANCIAL INFORMATION

convertible preferred shares will automatically convert into ordinary shares upon the completion of the Global Offering, and no further loss or gain on fair value changes is expected to be recognized afterwards. The reconciling item is non-cash and does not result in cash outflow.

- We account for loss on redesignation of convertible preferred shares. In March 2023, certain 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. The loss was calculated by subtracting the fair value of Series A-1 Preferred Shares at the date of the redesignation by the fair value of Series B Preferred Shares at the date of the redesignation. The reconciling item is non-cash and does not result in cash outflow.
- We account for gains on the repurchase of convertible preferred shares by deducting (a) the aggregate cash consideration paid on the repurchase of certain Series Pre-A Preference Shares in March 2023 from (b) the fair value of these repurchased Series Pre-A Preference Shares at the time of the repurchase. The reconciling item does not result in cash outflow.
- We exclude listing expenses, as this item arises from activities relating to the Listing.
- Further, we exclude income tax effects of non-IFRS adjustments. These income tax effects are associated with non-IFRS adjustments, especially the compensation cost from share-based payment transactions with employees.

The following table (in absolute amounts and as percentages of total revenue from continuing operations for the years/periods indicated) reconciles our adjusted profit (non-IFRS measure) for the years/periods presented in accordance with IFRSs, which is profit or loss for the years/periods from continuing operations:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(Unaudited)									
	(in thousands, except percentages)									
Reconciliation of (loss)/profit to adjusted profit (non-IFRS measure):										
(Loss)/profit for the year/period from continuing operations	(1,384,098)	(9.8)	4,799	0.0	761,608	3.7	291,247	3.4	451,314	4.4
Add:										
Share-based payment expenses	183,113	1.3	297,314	1.7	125,241	0.6	80,723	0.9	50,591	0.5
Fair value changes of convertible preferred shares	1,915,655	13.6	530,279	3.1	47,607	0.2	9,084	0.1	4,495	0.0
Loss on redesignation of convertible preferred shares	—	—	45,251	0.3	—	—	—	—	—	—
Gain on repurchase of convertible preferred shares	—	—	(77,715)	(0.4)	—	—	—	—	—	—
Listing expenses	—	—	43,662	0.3	7,167	0.0	—	—	2,901	0.0
Income tax effects of non-IFRS adjustment	—	—	(25,880)	(0.2)	(32,489)	(0.2)	(11,708)	(0.1)	(13,861)	(0.1)
Adjusted profit (non-IFRS measure) for the year/period	714,670	5.1	817,710	4.7	909,134	4.5	369,346	4.3	495,440	4.8

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF CONTINUING OPERATIONS

Revenue

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

The following table sets forth a breakdown of our total revenue from continuing operations both in absolute amount and as a percentage of our total revenue from continuing operations for the years/periods presented.

	For the Year Ended December 31,						For the Six Months Ended June, 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
							(Unaudited)			
(in thousands, except percentages)										
Product revenue:										
Sales of products . .	12,935,479	91.5	16,120,101	93.0	19,169,998	94.0	8,070,006	93.6	9,581,953	93.5
Service revenue:										
Marketplace	644,287	4.6	556,670	3.2	409,784	2.0	195,447	2.3	208,056	2.0
Advertising and other services . . .	554,929	3.9	659,112	3.8	817,959	4.0	354,588	4.1	460,379	4.5
Total	14,134,695	100.0	17,335,883	100.0	20,397,741	100.0	8,620,041	100.0	10,250,388	100.0

Product revenue

Product revenue is generated from our sales of industrial products. The industrial products we sell primarily consist of MRO products and BOM products. We record product revenue net of discounts and return allowances.

Our product revenue has grown significantly during the Track Record Period, and we expect that it will continue to grow in the foreseeable future.

Service revenue

Service revenue is mainly generated from marketplace, advertising, and technology and other services, for which we primarily charge (i) commissions and platform usage fees from third-party merchants on our marketplace; (ii) advertising service fees from advertisers; and (iii) service fees from customers of our technology and other services.

Cost of Revenue

Our cost of revenue primarily consists of cost of purchasing industrial products that we sell directly, and to a lesser extent, inbound shipping charges, and the related inventory write-downs.

Our cost of revenue increased during the Track Record Period in line with our business expansion. We expect our cost of revenue to continue to increase in the foreseeable future in line with business expansion.

FINANCIAL INFORMATION

Gross Profit

Our gross profit represents our revenue from continuing operations less our cost of revenue from continuing operations. Our gross profit margin represents our gross profit as a percentage of our revenue from continuing operations. In 2022, 2023 and 2024, our gross profit was RMB2.5 billion, RMB2.8 billion and RMB3.3 billion, respectively, and our gross profit margin was 18.0%, 16.1% and 16.2%, respectively. In the six months ended June 30, 2024 and 2025, our gross profit was RMB1.5 billion and RMB1.9 billion, respectively, and our gross profit margin was 16.9% and 18.6%, respectively.

In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our gross profit margin of product revenue was 11.0%, 10.0%, 11.3%, 11.5% and 13.3%, respectively. Our gross profit margin of service revenue was 92.9%, 97.0%, 94.1%, 96.7% and 93.5%, during the same periods, respectively.

While we have consistently grown our gross profit, the slight decrease in gross profit margin during 2023 was primarily due to the changes in our revenue mix with the increasing revenue contribution from product revenue, which has a lower gross profit margin compared to that of service revenue. To a lesser extent, the fluctuations in gross profit margin were attributable to changes in the mix of product revenue as we continued to expand our product offerings, attract more new key accounts, and optimize our supply network. Our gross profit margin subsequently increased during 2024 and the six months ended June 30, 2025, 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 consist of (i) logistics and warehousing services expenses, (ii) employee benefit expenses for employees involved in fulfillment activities, (iii) payment services expenses, (iv) customer services expenses, and (v) expenses of technology and traffic support services allocated/provided by JD Group in connection with fulfillment.

The following table sets forth a breakdown of our fulfillment expenses both in absolute amount and as a percentage of our total fulfillment expenses for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,				
	2022		2023		2024		2024		2025		
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	
	(Unaudited)										
	(in thousands, except percentages)										
Fulfillment expenses:											
Logistics and warehousing services expenses	279,994	35.8	365,053	38.7	526,223	46.7	213,113	42.1	418,150	52.5	
Employee benefit expenses	296,245	37.9	307,849	32.7	364,730	32.4	164,786	32.6	261,043	32.8	
Payment services expenses	102,584	13.1	123,983	13.2	74,744	6.6	47,113	9.3	28,228	3.5	
Customer services expenses	93,184	12.0	132,372	14.0	144,992	12.9	73,915	14.6	82,395	10.3	
Expenses of technology and traffic support services allocated/ provided by JD Group	9,592	1.2	13,349	1.4	16,017	1.4	7,153	1.4	6,397	0.9	
Total	781,599	100.0	942,606	100.0	1,126,706	100.0	506,080	100.0	796,213	100.0	

Our fulfillment expenses increased during the Track Record Period, in line with our business expansion. Our logistics and warehousing services expenses increased during the Track Record Period,

FINANCIAL INFORMATION

primarily due to the increase in the usage of logistics services and warehousing services along with more products sales. Our employee benefit expenses for employees involved in fulfillment activities increased during the Track Record Period, primarily due to an increase in employee headcount supporting our business. We expect our fulfillment expenses to increase in the foreseeable future in anticipation of the growth in our business scale.

As part of our fulfillment expenses, we incurred amortization of intangible assets resulting from acquisitions, in connection with our acquisition of Suzhou Gongpinhui in 2020. Our amortization of intangible assets resulting from acquisitions was RMB6.7 million for each of 2022, 2023 and 2024 and RMB3.3 million for the six months ended June 30, 2024 and 2025.

Selling and Marketing Expenses

Our selling and marketing expenses consist of (i) employee benefit expenses for employees involved in marketing and business development activities, (ii) expenses of technology and traffic support services allocated/provided by JD Group in connection with sales and marketing, (iii) promotion and advertising expenses, and (iv) others.

The following table sets forth a breakdown of our selling and marketing expenses both in absolute amount and as a percentage of our total selling and marketing expenses for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,				
	2022		2023		2024		2024		2025		
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	
	(Unaudited)										
	(in thousands, except percentages)										
Selling and marketing expenses:											
Employee benefit expenses	221,706	39.3	271,081	38.6	332,383	39.4	157,122	42.9	205,947	42.4	
Expenses of technology and traffic support services allocated/ provided by JD Group	217,644	38.5	298,343	42.4	364,991	43.2	152,275	41.5	191,542	39.4	
Promotion and advertising expenses	106,133	18.8	105,201	15.0	110,238	13.1	44,683	12.2	57,279	11.8	
Others	19,129	3.4	28,258	4.0	36,903	4.3	12,585	3.4	30,953	6.4	
Total	564,612	100.0	702,883	100.0	844,515	100.0	366,665	100.0	485,721	100.0	

Our selling and marketing expenses increased during the Track Record Period. Our employee benefit expenses for employees involved in marketing and business development activities increased during the Track Record Period, in line with the continued growth of our business. We plan to continue to invest resources in sales, in particular sales efforts to key accounts, to enhance our brand recognition, build and deepen relationships with customers, and increase sales. As a result, we expect our selling and marketing expenses to increase in the foreseeable future.

Research and Development Expenses

Our research and development expenses consist of (i) employee benefit expenses for research and development personnel, (ii) expenses of technology and traffic support services allocated/provided by JD Group in connection with research and development, and (iii) others, including labor service fees, depreciation of property and equipment and amortization of intangible assets, and rental expense.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our research and development expenses both in absolute amount and as a percentage of our total research and development expenses for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(Unaudited)									
(RMB in thousands, except percentages)										
Research and development expenses:										
Employee benefit expenses	212,687	61.7	175,352	59.4	181,772	62.8	92,346	62.8	94,965	66.6
Expenses of technology and traffic support										
services allocated/provided by JD Group	99,427	28.8	94,447	32.0	71,029	24.5	40,515	27.6	27,478	19.3
Others	32,761	9.5	25,420	8.6	36,533	12.7	14,114	9.6	20,131	14.1
Total	344,875	100.0	295,219	100.0	289,334	100.0	146,975	100.0	142,574	100.0

Our research and development expenses decreased from 2022 to 2023, because we optimized the organizational structure to cultivate an efficient research and development team. Our research and development expenses remained relatively stable in 2023 and 2024 and in the six months ended June 30, 2024 and 2025. We expect that research and development expenses to increase in the foreseeable future, which we believe will improve our technological capability and operating efficiency over time.

General and Administrative Expenses

Our general and administrative expenses consist of (i) employee benefit expenses for employees of general corporate functions, including accounting, finance and human resources, (ii) expenses of technology and traffic support services allocated/provided by JD Group in connection with our general and administrative activities, and (iii) others.

The following table sets forth a breakdown of our general and administrative expenses both in absolute amount and as a percentage of our total general and administrative expenses for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(Unaudited)									
(in thousands, except percentages)										
General and administrative expenses:										
Employee benefit expenses . . .	76,681	53.8	205,353	65.2	131,243	67.8	66,682	73.8	68,873	75.7
Expenses of technology and traffic support services allocated/provided by JD Group	59,063	41.4	38,933	12.4	33,577	17.3	17,017	18.8	13,698	15.1
Others	6,856	4.8	70,555	22.4	28,890	14.9	6,614	7.4	8,391	9.2
Total	142,600	100.0	314,841	100.0	193,710	100.0	90,313	100.0	90,962	100.0

Our employee benefit expenses increased from RMB76.7 million in 2022 to RMB205.4 million in 2023, primarily due to the increase of share-based payment expenses and the increase in employee headcount of general and administrative personnel to support our growing business. Our general and administrative expenses decreased in absolute amounts from 2023 to 2024, primarily because of the

FINANCIAL INFORMATION

decrease in share-based payment expenses and listing expenses. Our general and administrative expenses remained relatively stable in the six months ended June 30, 2024 and 2025. We expect that, excluding share-based payment expenses and listing expenses, our general and administrative expenses will increase in the foreseeable future as we continuously improve our internal support functions to scale with the growth of our business.

Other income and (losses)/gains, net

Our other income and (losses)/gains, net consist of fair value changes of financial assets at fair value through profit or loss, government grants, gain on repurchase of convertible preferred shares, loss on redesignation of convertible preferred shares, and others. Our fair value changes of financial assets at fair value through profit or loss primarily results from our investments in unlisted entities. Our fair value losses on equity investments in unlisted entities were RMB46.1 million, RMB78.4 million, RMB159.3 million, RMB134.8 million and RMB26.2 million in 2022, 2023 and 2024 and in the six months ended June 30, 2024 and 2025, respectively.

Finance Income

Our finance income consists of (i) interest income from related parties and (ii) interest income from term deposits and bank balance. During the Track Record Period, we participated in the treasury management scheme managed by JD Group to better manage our excess cash to achieve higher returns. According to the terms of the Series A Share Subscription Agreement, we were entitled to receive interest income from such treasury management scheme. We have received the amounts under the treasury management scheme with JD Group in cash, and terminated this arrangement in 2023. Since then we have operated treasury functions and managed our cash balance independently, and have recorded interest income accordingly.

Finance Costs

Our finance costs primarily consist of (i) interest expense to related parties and (ii) interest expense on lease liabilities. Interest expense to related parties mainly represents interest expenses to JD Technology, as JD Technology provides supply chain financial technology service in relation to trade receivables where JD Technology purchases trade receivables from us, enabling us to receive early payments for trade receivables. Therefore, we are able to scale up rapidly while sustaining healthy working capital. JD Technology charges service fees for its supply chain financial technology service in relation to trade receivables, which is determined with reference to the creditworthiness of the relevant customers. See “—Material Related Party Transactions” for details.

Fair value changes of convertible preferred shares

We adopted option-pricing method and equity allocation model to determine the fair value of the convertible preferred shares issued by us. Please refer to note 33 to the Accountants’ Report set out in Appendix I to this document for the key assumptions in determining the fair value of the convertible preferred shares.

Discount rate was estimated by weighted average cost of capital as of each valuation date. We 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 discount for lack of marketability was estimated based on the option-pricing method. Under the option pricing method, the

FINANCIAL INFORMATION

cost of put option, which can hedge the price change before the privately 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, our projections of future performance were also factored into the determination of the fair value of the Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares on each valuation date. Upon the completion of the Global Offering, the convertible preferred shares will be automatically converted to our ordinary shares.

Taxation

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.

British Virgin Islands

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

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong profit tax, the first HK\$2.0 million of profits of the qualifying group entity will be taxed at a rate of 8.25%, and profits above HK\$2.0 million will be taxed at a rate of 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 our qualifying group entity is calculated at a rate of 8.25% for the first HK\$2.0 million of the estimated assessable profits and at a rate of 16.5% for the estimated assessable profits above HK\$2.0 million.

Mainland China

Pursuant to the PRC Enterprise Income Tax Law (the “EIT Law”) and the respective regulations, our subsidiaries operating in the PRC are subject to enterprise income tax at a rate of 25% on the taxable income, except for those that enjoyed preferential income tax treatments as summarized below:

Certain of our subsidiaries were recognized as “high and new technology enterprises” and, accordingly, enjoyed a preferential income tax rate of 15% during the Track Record Period. Certain enterprises can 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. During the Track Record Period, several of our entities were qualified as enterprises within the Western Regions Catalog and enjoyed a 15% preferential income tax rate.

In addition, according to the relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 150% of their research and development

FINANCIAL INFORMATION

expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“Super Deduction”). The State Taxation Administration of the PRC announced in September 2018 that enterprises engaging in research and development activities would be entitled to claim 175% of their research and development expenses as Super Deduction from January 1, 2018 to December 31, 2020, which was announced in March 2021 to be further extended to December 31, 2023. In September 2022, the State Taxation Administration of the PRC announced that for the enterprises entitled to the current weighted pre-tax deduction rate of 175% for research and development expenses, such rate was raised to 200% during the period from October 1, 2022 to December 31, 2022. In March 2023, the State Taxation Administration of the PRC announced that such policy would be further extended beginning from January 1, 2023.

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 China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, 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 Mainland China and the 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 China 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). We have not declared or paid, or planned to declare, any dividend to our shareholders from the profits generated during the Track Record Period. Therefore, we have not recorded any withholding tax on any profits generated by the PRC operation entities.

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

In December 2021, the Organization for Economic Co-operation and Development (“OECD”) introduced the GloBE Rules, which set out global minimum tax rules designed to ensure that large multinational businesses with group annual revenue of EUR750 million or more pay a minimum effective rate of tax of 15% on profits in all their operating countries. Countries may also implement their own domestic minimum tax regimes. Global minimum tax rules have been enacted in certain jurisdictions in which the Group is subject to income taxes. To provide transitional relief for Pillar Two Rules tax compliance and administrative burden, the OECD has introduced a Framework for Transitional Country-by-Country Reporting Safe Harbor applicable for a Transition Period covering from the year ended December 31, 2024 to the year ending December 31, 2026.

For the year ended December 31, 2024 and the six months ended June 30, 2025, the Group is operating in certain jurisdictions where the Pillar Two Rules are effective. 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, 2024 and the six months ended June 30, 2025. The Group is continuing to assess the impact of the Pillar Two Rules on its future financial performance.

FINANCIAL INFORMATION

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF CONTINUING OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our revenue increased by 18.9% from RMB8.6 billion in the six months ended June 30, 2024 to RMB10.3 billion in the six months ended June 30, 2025, primarily driven by the continual growth of our GMV. Specifically, our GMV increased by 16.7% from approximately RMB12.5 billion in the six months ended June 30, 2024 to RMB14.6 billion in the six months ended June 30, 2025, which was primarily attributable to our success in attracting new customers and driving additional spending from existing customers. In particular, our GMV attributable to key accounts increased by 29.0% from RMB5.3 billion in the six months ended June 30, 2024 to RMB6.8 billion in the six months ended June 30, 2025.

Our revenue from sales of products increased by 18.7% from RMB8.1 billion in the six months ended June 30, 2024 to RMB9.6 billion in the six months ended June 30, 2025, primarily driven by the increase of 19.6% in product GMV from approximately RMB9.2 billion in the six months ended June 30, 2024 to approximately RMB11.0 billion in the six months ended June 30, 2025. Our product revenue attributable to key accounts increased by 28.3% from RMB4.6 billion in the six months ended June 30, 2024 to RMB5.9 billion in the six months ended June 30, 2025, and our product revenue attributable to SMEs increased by 30.7% from RMB2.3 billion in the six months ended June 30, 2024 to RMB3.0 billion in the six months ended June 30, 2025.

Our revenue from provision of services increased from RMB550.0 million in the six months ended June 30, 2024 to RMB668.4 million in the six months ended June 30, 2025. Our advertising and other services revenue increased from RMB354.6 million in the six months ended June 30, 2024 to RMB460.4 million in the six months ended June 30, 2025, primarily attributable to the continued expansion of our services and user reach. Our marketplace revenue increased from RMB195.4 million in the six months ended June 30, 2024 to RMB208.1 million in the six months ended June 30, 2025, primarily because of the increase in GMV attributable to SMEs, who increasingly opted to purchase from our marketplace.

Cost of revenue

Our cost of revenue increased by 16.5% from RMB7.2 billion in the six months ended June 30, 2024 to RMB8.3 billion in the six months ended June 30, 2025, which was generally in line with the increase of revenue.

Gross profit

As a result of the foregoing, we recorded a gross profit of RMB1.5 billion and RMB1.9 billion in the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively. In particular, our gross profit of product revenue increased from RMB924.8 million in the six months ended June 30, 2024 to RMB1.3 billion in the six months ended June 30, 2025, and our gross profit of service revenue increased from RMB531.8 million in the six months ended June 30, 2024 to RMB624.7 million in the six months ended June 30, 2025. Our gross profit margin increased from 16.9% in the six months ended June 30, 2024 to 18.6% in the six months ended June 30, 2025, respectively, 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.

FINANCIAL INFORMATION

Fulfillment expenses

Our fulfillment expenses increased by 57.3% from RMB506.1 million in the six months ended June 30, 2024 to RMB796.2 million in the six months ended June 30, 2025, primarily attributable to the increase in logistics and warehousing services expenses from RMB213.1 million in the six months ended June 30, 2024 to RMB418.2 million in the six months ended June 30, 2025. The 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.

Selling and marketing expenses

Our selling and marketing expenses increased by 32.5% from RMB366.7 million in the six months ended June 30, 2024 to RMB485.7 million in the six months ended June 30, 2025, primarily attributable to the increases in (i) employee benefit expenses from RMB157.1 million in the six months ended June 30, 2024 to RMB205.9 million in the six months ended June 30, 2025, due to the increase in selling and marketing personnel to enhance customer experience and support our new initiatives including overseas and product expansion, and (ii) expenses of technology and traffic support services allocated or provided by JD Group from RMB152.3 million in the six months ended June 30, 2024 to RMB191.5 million in the six months ended June 30, 2025, in line with the growth of our GMV.

Research and development expenses

Our research and development expenses remained relatively stable at RMB147.0 million in the six months ended June 30, 2024 and RMB142.6 million in the six months ended June 30, 2025.

General and administrative expenses

Our general and administrative expenses remained relatively stable at RMB90.3 million in the six months ended June 30, 2024 and RMB91.0 million in the six months ended June 30, 2025.

Other income and (losses)/ gains, net

We recorded other gains of RMB93.3 million in the six months ended June 30, 2025, compared to other losses of RMB38.1 million in the six months ended June 30, 2024, primarily due to a decrease in net loss from fair value changes of equity investments in unlisted entities measured as financial assets at fair value through profit or loss of RMB108.6 million in connection with our equity investment in certain investees.

Finance income

Our finance income decreased by 19.2% from RMB160.3 million in the six months ended June 30, 2024 to RMB129.4 million in the six months ended June 30, 2025, primarily due to lower interest rates.

Finance costs

Our finance costs increased by 20.4% from RMB75.0 million in the six months ended June 30, 2024 to RMB90.3 million in the six months ended June 30, 2025, primarily due to an increase in service fees for supply chain financial technology service in relation to trade receivables provided by JD Technology, in line with our business growth.

FINANCIAL INFORMATION

Fair value changes of convertible preferred shares

Our loss due to fair value changes of convertible preferred shares amounted to RMB9.1 million in the six months ended June 30, 2024 and RMB4.5 million in the six months ended June 30, 2025, as our equity value remained generally stable.

Income tax expense

Our income tax expense decreased from RMB86.8 million in the six months ended June 30, 2024 to RMB60.7 million in the six months ended June 30, 2025, mainly due to improved utilization of tax losses in the six months ended June 30, 2025.

Profit for the period from continuing operations

As a result of the foregoing, we recorded a profit for the period from continuing operations of RMB291.2 million in the six months ended June 30, 2024 and a profit for the period from continuing operations of RMB451.3 million in the six months ended June 30, 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 17.7% from RMB17.3 billion in 2023 to RMB20.4 billion in 2024, primarily driven by the continual growth of our GMV. Specifically, our GMV increased by 10.2% from approximately RMB26.1 billion in 2023 to RMB28.8 billion in 2024, which was primarily attributable to our success in attracting new customers and driving additional spending from existing customers. In particular, the key accounts we served grew from approximately 9.5 thousand in 2023 to approximately 10.6 thousand in 2024. Our annual average GMV per key account remained stable at approximately RMB1.2 million in 2023 and 2024. At the same time, we continued to drive more sales from existing key accounts, as demonstrated by our key accounts dollar retention rate of 105.7% in 2024.

Our revenue from sales of products increased by 18.9% from RMB16.1 billion in 2023 to RMB19.2 billion in 2024, primarily driven by the increase of 21.2% in product GMV from approximately RMB18.0 billion in 2023 to approximately RMB21.8 billion in 2024. Our product revenue attributable to key accounts increased by 25.8% from RMB9.0 billion in 2023 to RMB11.4 billion in 2024, and our product revenue attributable to SMEs increased by 10.9% from RMB5.2 billion in 2023 to RMB5.7 billion in 2024.

Our revenue from provision of services remained relatively stable at RMB1.2 billion in 2023 and 2024. Our advertising and other services revenue increased from RMB659.1 million in 2023 to RMB818.0 million in 2024, primarily attributable to the continued expansion of our services and user reach. Our marketplace revenue decreased from RMB556.7 million in 2023 to RMB409.8 million in 2024, primarily because our key accounts increasingly opted to procure products directly from us instead of through marketplace.

Cost of revenue

Our cost of revenue increased by 17.5% from RMB14.5 billion in 2023 to RMB17.1 billion in 2024, which was in line with the increase of revenue.

FINANCIAL INFORMATION

Gross profit

As a result of the foregoing, we recorded a gross profit of RMB2.8 billion and RMB3.3 billion in 2023 and 2024, respectively. In particular, our gross profit of product revenue increased from RMB1.6 billion in 2023 to RMB2.2 billion in 2024, and our gross profit of service revenue remained relatively stable at RMB1.2 billion in 2023 and 2024. Our gross profit margin remained relatively stable in 2023 and 2024, amounting to 16.1% and 16.2%, respectively.

Fulfillment expenses

Our fulfillment expenses increased by 19.5% from RMB942.6 million in 2023 to RMB1.1 billion in 2024, primarily attributable to the increase in logistics and warehousing services expenses from RMB365.1 million in 2023 to RMB526.2 million in 2024. This increase in logistics and warehousing services expenses was primarily due to the increase in the usage of logistics services and warehousing services along with the growth in product sales.

Selling and marketing expenses

Our selling and marketing expenses increased by 20.2% from RMB702.9 million in 2023 to RMB844.5 million in 2024, primarily attributable to the increases in (i) expenses of technology and traffic support services allocated or provided by JD Group from RMB298.3 million in 2023 to RMB365.0 million in 2024, in line with the growth of our GMV, and (ii) employee benefit expenses from RMB271.1 million in 2023 to RMB332.4 million in 2024, due to the increase in selling and marketing personnel supporting and enhancing customer experience.

Research and development expenses

Our research and development expenses remained relatively stable at RMB295.2 million in 2023 and RMB289.3 million in 2024.

General and administrative expenses

Our general and administrative expenses decreased by 38.5% from RMB314.8 million in 2023 to RMB193.7 million in 2024, primarily attributable to the decrease in share-based payment expenses and listing expenses.

Other income and (losses)/gains, net

We recorded other losses of RMB25.2 million in 2024, compared to other gains of RMB3.6 million in 2023, primarily due to an increase in net loss from fair value changes of equity investments in unlisted entities measured as financial assets at fair value through profit or loss of RMB80.9 million in connection with our equity investment in certain investees in 2024 and our one-off incurrence of gain on repurchase of convertible preferred shares of RMB77.7 million in 2023, which we did not have in 2024, partially offset by our incurrence of loss on redesignation of convertible preferred shares of RMB45.3 million in 2023, which we did not have in 2024.

Finance income

Our finance income remained relatively stable at RMB287.4 million and RMB293.3 million in 2023 and 2024, respectively.

FINANCIAL INFORMATION

Finance costs

Our finance costs increased by 38.7% from RMB139.3 million in 2023 to RMB193.2 million in 2024, primarily due to an increase in service fees for supply chain financial technology services in relation to trade receivables provided by JD Technology, along with our business growth.

Fair value changes of convertible preferred shares

Our loss due to fair value changes of convertible preferred shares decreased by 91.0% from RMB530.3 million in 2023 to RMB47.6 million in 2024, due to an increase in the fair value of the Preference Shares in 2023 as a result of closing of Series B financing and an increase in our equity value, while our equity value remained stable in 2024.

Income tax expense

Our income tax expense decreased from RMB155.6 million in 2023 to RMB121.0 million in 2024, mainly due to the recognition of a deferred tax asset attributed to cumulative tax losses commencing from 2024. We recorded earnings in our tax-exempt Cayman Islands entity in 2024 compared with losses in 2023, which increased profit before tax but had no impact on the income tax expense.

Profit for the year from continuing operations

As a result of the foregoing, we recorded a profit for the year from continuing operations of RMB4.8 million and RMB761.6 million in 2023 and 2024, respectively.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 22.6% from RMB14.1 billion in 2022 to RMB17.3 billion in 2023, primarily driven by the continual growth of our GMV. Specifically, our GMV increased by 16.8% from approximately RMB22.3 billion in 2022 to RMB26.1 billion in 2023, which was primarily attributable to our success in attracting new customers and driving additional spending from existing customers. In particular, the key accounts we served grew from approximately 6.9 thousand in 2022 to approximately 9.5 thousand in 2023. Our annual average GMV per key account were approximately RMB1.4 million and RMB1.2 million in 2022 and 2023, respectively. New key accounts typically exhibit lower initial spending as they began integrating with our industrial supply chain technology and services, and would ramp up their spending over time. As we attracted more new key accounts in 2023, the annual average GMV per key account decreased slightly. At the same time, we continued to drive more sales from existing key accounts, as demonstrated by our key accounts dollar retention rate of 114.9% in 2023.

Our revenue from sales of products increased by 24.6% from RMB12.9 billion in 2022 to RMB16.1 billion in 2023, primarily driven by the increase of 22.9% in product GMV from approximately RMB14.7 billion in 2022 to approximately RMB18.0 billion in 2023. Our product revenue attributable to key accounts increased by 36.0% from RMB6.7 billion in 2022 to RMB9.0 billion in 2023, and our product revenue attributable to SMEs increased by 16.1% from RMB4.5 billion in 2022 to RMB5.2 billion in 2023.

FINANCIAL INFORMATION

Our revenue from provision of services remained stable at RMB1.2 billion from 2022 to 2023. Our advertising and other services revenue increased from RMB554.9 million in 2022 to RMB659.1 million in 2023, primarily attributable to the continued expansion of our services and user reach. Our marketplace revenue decreased from RMB644.3 million in 2022 to RMB556.7 million in 2023, primarily because our key accounts increasingly opted to procure products directly from us instead of through marketplace.

Cost of revenue

Our cost of revenue increased by 25.4% from RMB11.6 billion in 2022 to RMB14.5 billion in 2023, which was generally in line with the increase of revenue.

Gross profit

As a result of the foregoing, we recorded a gross profit of RMB2.5 billion and RMB2.8 billion in 2022 and 2023, respectively. In particular, our gross profit of product revenue increased from RMB1.4 billion in 2022 to RMB1.6 billion in 2023, and our gross profit of service revenue increased from RMB1.1 billion in 2022 to RMB1.2 billion in 2023. While we achieved gross profit growth in 2023, the gross profit margin slightly decreased. This was primarily due to the changes in our revenue mix with the increasing revenue contribution from product revenue, which has a lower gross profit margin compared to that of service revenue. To a lesser extent, the decrease was also attributable to changes in the mix of product revenue as we continued to expand our product offerings, attract more new key accounts, and optimize our supply network.

Fulfillment expenses

Our fulfillment expenses increased by 20.6% from RMB781.6 million in 2022 to RMB942.6 million in 2023, primarily attributable to the increases in logistics and warehousing services expenses from RMB280.0 million in 2022 to RMB365.1 million in 2023, which was, in turn, due to the increase in the usage of logistics services along with more products sales and the increase in warehousing services, both of which were due to the continued growth of our business.

Selling and marketing expenses

Our selling and marketing expenses increased by 24.5% from RMB564.6 million in 2022 to RMB702.9 million in 2023, primarily attributable to the increases in (i) expenses of technology and traffic support services allocated or provided by JD Group from RMB217.6 million in 2022 to RMB298.3 million in 2023, in line with the growth of our GMV, and (ii) employee benefit expenses from RMB221.7 million in 2022 to RMB271.1 million in 2023, due to the increase in selling and marketing personnel supporting and enhancing customer experience.

Research and development expenses

Our research and development expenses decreased by 14.4% from RMB344.9 million in 2022 to RMB295.2 million in 2023, primarily attributable to the decreases in employee benefit expenses from RMB212.7 million in 2022 to RMB175.4 million in 2023. This is mainly because we optimized the organizational structure to cultivate an efficient research and development team.

FINANCIAL INFORMATION

General and administrative expenses

Our general and administrative expenses increased by 120.8% from RMB142.6 million in 2022 to RMB314.8 million in 2023, primarily attributable to (i) the increase in employee benefit expenses from RMB76.7 million in 2022 to RMB205.4 million in 2023 primarily because of an increase in share-based payment expenses and (ii) our incurrence of one-off listing expenses of RMB43.7 million in 2023, which we did not have in 2022. These factors were partially offset by the decrease in expenses of technology and traffic support services allocated or provided by JD Group from RMB59.1 million in 2022 to RMB38.9 million in 2023, due to our reduced usage of shared administrative services provided by JD Group.

Other income and (losses)/ gains, net

We recorded other gains of RMB3.6 million in 2023, compared to other losses of RMB36.5 million in 2022, primarily due to our one-off incurrence of gain on repurchase of convertible preferred shares of RMB77.7 million in 2023, partially offset by an increase of RMB32.2 million in net loss from fair value changes of equity investments in unlisted entities measured as financial assets at fair value through profit or loss in connection with our equity investment in certain investees.

Finance income

Our finance income increased by 81.3% from RMB158.6 million in 2022 to RMB287.4 million in 2023, primarily due to an increase in interest income as our cash balance continued to grow.

Finance costs

Our finance costs increased by 31.9% from RMB105.6 million in 2022 to RMB139.3 million in 2023, primarily due to an increase in service fees for supply chain financial technology services in relation to trade receivables provided by JD Technology, in line with our business growth.

Fair value changes of convertible preferred shares

Our loss due to fair value changes of convertible preferred shares decreased by 72.3% from RMB1.9 billion in 2022 to RMB530.3 million in 2023, due to the reduced rate of increase in the fair value of the Preference Shares in 2023 as compared to 2022, as a result of a reduced rate of increase in our equity value.

Income tax expense

Our income tax expense decreased from RMB191.7 million in 2022 to RMB155.6 million in 2023.

(Loss)/profit for the year from continuing operations

As a result of the foregoing, we recorded a profit for the year from continuing operations of RMB4.8 million in 2023, as compared to loss for the year from continuing operations of RMB1.4 billion in 2022.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Current Assets/Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
					(unaudited)
	(in thousands of RMB)				
Current assets:					
Inventories	606,993	510,507	896,856	1,249,681	1,594,189
Trade and note receivables	45,454	73,025	109,638	117,996	176,240
Prepayments, other receivables and other assets	6,370,945	1,233,783	2,167,632	1,131,378	759,235
Financial assets at fair value through profit or loss	—	—	—	—	1,009,359
Term deposits	—	3,552,446	2,000,741	6,101,779	8,242,297
Cash and cash equivalents	12,344	5,488,742	8,372,098	4,559,678	2,149,864
Restricted cash	—	14,270	9,043	11,091	17,635
Total current assets	7,035,736	10,872,773	13,556,008	13,171,603	13,948,819
Current liabilities:					
Trade payables	2,389,722	3,791,638	5,109,000	4,493,637	4,737,678
Contract liabilities	353,842	228,493	238,343	207,448	285,123
Accrued expenses and other payables	619,213	796,932	1,008,876	857,964	1,021,629
Lease liabilities	5,201	5,494	1,119	3,158	3,779
Income tax payables	49,855	86,855	141,230	61,617	100,950
Convertible preferred shares ⁽¹⁾	5,621,814	7,503,898	7,663,753	7,636,457	7,561,144
Total current liabilities	9,039,647	12,413,310	14,162,321	13,260,281	13,710,303
Net current (liabilities)/assets	(2,003,911)	(1,540,537)	(606,313)	(88,678)	238,516

Note:

(1) Convertible preferred shares are reclassified from non-current liabilities to current liabilities upon the application of the amendments International Accounting Standards (“IAS”) 1, which became effective on January 1, 2024 with a retroactive effect throughout the Track Record Period. Therefore, convertible preferred shares were recorded under current liabilities on our consolidated statements of financial position during the Track Record Period.

We had net current liabilities positions as of December 31, 2022, 2023 and 2024 and as of June 30, 2025. Our net current liabilities positions as of each of these dates were primarily attributable to convertible preferred shares and trade payables, partially offset by prepayments, other receivables and other assets, term deposits, and cash and cash equivalents. We had a net current assets position as of October 31, 2025, which was primarily attributable to term deposits, cash and cash equivalents, and inventories, partially offset by convertible preferred shares, trade payables, and accrued expenses and other payables. Our convertible preferred shares increased from RMB5.6 billion as of December 31, 2022 to RMB7.5 billion as of December 31, 2023, and further increased to RMB7.7 billion as of December 31, 2024, in line with the increases in the fair value of the Preference Shares, resulting from the increases in our equity value. Our Preference Shares will be automatically converted into ordinary shares upon the closing of the Global Offering, and will therefore be re-designated from financial liabilities to equity on our consolidated statements of financial position. During the Track Record Period, to better utilize the excessive cash for higher returns, we participated in the treasury management scheme managed by JD Group through transferring excessive cash to JD Group. We have

FINANCIAL INFORMATION

settled outstanding amounts under the treasury management scheme with JD Group in cash, and terminated this arrangement in 2023. As a result, our cash and cash equivalents increased significantly from RMB12.3 million as of December 31, 2022 to RMB5.5 billion as of December 31, 2023, and our term deposits reached RMB3.6 billion as of December 31, 2023, while we did not have this item as of December 31, 2022.

Our net current liabilities decreased from RMB2.0 billion as of December 31, 2022 to RMB1.5 billion as of December 31, 2023, primarily due to an increase in cash and cash equivalents of RMB5.5 billion, an increase in term deposits of RMB3.6 billion and a decrease in contract liabilities of RMB125.3 million, partially offset by a decrease in prepayments, other receivables and other assets of RMB5.1 billion, an increase in convertible preferred shares of RMB1.9 billion, an increase in trade payables of RMB1.4 billion, and an increase in accrued expenses and other payables of RMB177.7 million.

Our net current liabilities decreased from RMB1.5 billion as of December 31, 2023 to RMB606.3 million as of December 31, 2024, primarily due to an increase in cash and cash equivalents of RMB2.9 billion, an increase in prepayments, other receivables and other assets of RMB933.8 million and an increase in inventories of RMB386.3 million, partially offset by a decrease in term deposits of RMB1.6 billion, an increase in trade payables of RMB1.3 billion and an increase in accrued expenses and other payables of RMB211.9 million.

Our net current liabilities decreased from RMB606.3 million as of December 31, 2024 to RMB88.7 million as of June 30, 2025, primarily due to an increase in term deposits of RMB4.1 billion, a decrease in trade payables of RMB615.4 million, an increase in inventories of RMB352.8 million and a decrease in accrued expenses and other payables of RMB150.9 million, partially offset by a decrease in cash and cash equivalents of RMB3.8 billion and a decrease in prepayments, other receivables and other assets of RMB1.0 billion.

We recorded net current assets of RMB238.5 million as of October 31, 2025, compared to net current liabilities of RMB88.7 million as of June 30, 2025. The change was primarily due to an increase in term deposits of RMB2.1 billion and an increase in financial assets at fair value through profits or loss of RMB1.0 billion, partially offset by a decrease in cash and cash equivalents of RMB2.4 billion.

FINANCIAL INFORMATION

Prepayments, Other Receivables and Other Assets (Current Portion)

Our prepayments, other receivables and other assets (current portion) consist of (i) amounts due from related parties, (ii) advance to suppliers, (iii) recoverable value-added tax, (iv) prepaid expense, (v) estimated return of products sold, (vi) deferred share issuance cost and (vii) others, net of (viii) allowance for credit losses. The following table sets forth our prepayments, other receivables and other assets (current portion) as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Prepayments, other receivables and other assets (current portion)				
Amounts due from related parties	6,315,497	1,154,659	2,104,239	841,270
Advance to suppliers	25,206	24,556	4,894	14,500
Recoverable value-added tax	5,907	11,703	4,804	170,784
Prepaid expense	245	143	539	2,773
Estimated return of products sold	20,418	30,116	36,445	28,858
Deferred share issuance cost	—	4,691	5,917	6,755
Others	3,672	7,915	10,794	67,933
Less: allowance for credit losses	—	—	—	(1,495)
Total	6,370,945	1,233,783	2,167,632	1,131,378

Our prepayments, other receivables and other assets (current portion) decreased by 80.6% from RMB6.4 billion as of December 31, 2022 to RMB1.2 billion as of December 31, 2023, increased by 75.7% to RMB2.2 billion as of December 31, 2024 and decreased by 47.8% to RMB1.1 billion as of June 30, 2025. The decrease in our prepayments, other receivables and other assets (current portion) as of December 31, 2023 compared to December 31, 2022 was primarily due to the decrease in amounts due from related parties, resulting from the termination of and the withdrawal of funds from the treasury management scheme managed by JD Group. The increase in our prepayments, other receivables and other assets (current portion) as of December 31, 2024 compared to December 31, 2023 was primarily due to an increase in amount due from related parties, resulting from an increase in the customer payments collected by JD Group on our behalf during our ordinary course of business operations in December 2024 compared to December 2023. The decrease in our prepayments, other receivables and other assets (current portion) as of June 30, 2025 compared to December 31, 2024 was primarily due to the decrease in amounts due from related parties, resulting from a decrease in the customer payments collected by JD Group on our behalf during our ordinary course of business operations in June 2025 compared to December 2024. See “—Material Related Party Transactions” for details of the treasury management scheme. Recoverable value-added tax represents the portion of VAT that we paid on purchases after offsetting it against the VAT we collected from our customers.

FINANCIAL INFORMATION

Inventories

Our inventories primarily represent products available for sale. The following table sets forth our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Inventories:				
Products	591,378	456,329	832,629	1,188,308
Others	17,209	57,772	72,415	70,792
Less: Impairment provision	(1,594)	(3,594)	(8,188)	(9,419)
Total	606,993	510,507	896,856	1,249,681

Our inventories decreased by 15.9% from RMB607.0 million as of December 31, 2022 to RMB510.5 million as of December 31, 2023, primarily due to de-stocking of excessive inventory accumulated in 2022. Our inventories increased by 75.7% from RMB510.5 million as of December 31, 2023 to RMB896.9 million as of December 31, 2024, primarily due to the increase in product inventories as our product sales increased. Our inventories increased by 39.3% from RMB896.9 million as of December 31, 2024 to RMB1.2 billion as of June 30, 2025, primarily due to the increase in product inventories, as a result of our strategic initiative to increase the amount of orders shipped from our own warehouses for certain product categories in order to enhance the experience for certain customers.

The following table sets forth the turnover days of our inventories attributable to continuing operations for the periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2022	2023	2024	2025
Turnover days of inventories attributable to continuing operations ⁽¹⁾	17.9	13.8	14.8	23.1

Note:

(1) Turnover days of inventories attributable to continuing operations for a period equals the average of the opening and closing inventory balance attributable to continuing operations divided by cost of revenue for the relevant period and multiplied by 180 days or 360 days.

Our turnover days of inventories attributable to continuing operations were 17.9 days in 2022, 13.8 days in 2023, 14.8 days in 2024, and 23.1 days in the six months ended June 30, 2025. The increase in the six months ended June 30, 2025 was primarily due to our strategic initiative to increase the amount of orders shipped from our own warehouses for certain product categories in order to enhance the experience for certain customers.

As of October 31, 2025, RMB1.1 billion, or 90.8%, of our inventory balance as of June 30, 2025 had been sold or utilized.

FINANCIAL INFORMATION

The following table sets forth aging analysis of the inventories attributable to continuing operations as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Inventories attributable to continuing operations:				
Within three months	567,684	485,321	849,242	1,135,700
Three to six months	26,759	12,760	38,812	87,586
Seven to twelve months	7,036	5,216	5,917	21,939
More than twelve months	5,514	7,210	2,885	4,456
Total	606,993	510,507	896,856	1,249,681

Trade and Note Receivables

Our trade and note receivables consist of outstanding amounts payable by third parties or related parties. The following table sets forth our trade and note receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Trade and note receivables:				
Trade receivables from third parties	33,800	25,644	42,726	78,400
Trade receivables from related parties	4,181	—	—	—
Less: allowance for ECL	(5,555)	(4,889)	(8,667)	(5,784)
Subtotal of trade receivables	32,426	20,755	34,059	72,616
Note receivables	13,028	52,270	75,579	45,380
Total	45,454	73,025	109,638	117,996

Our trade and note receivables increased by 60.7% from RMB45.5 million as of December 31, 2022 to RMB73.0 million as of December 31, 2023, and further increased by 50.1% to RMB109.6 million as of December 31, 2024, primarily driven by the increase in note receivables as a result of our business expansion. Our trade and note receivables increased by 7.6% from RMB109.6 million as of December 31, 2024 to RMB118.0 million as of June 30, 2025, primarily driven by the increase in trade receivables from third parties as a result of our business expansion, partially offset by the decrease in note receivables.

JD Technology provides supply chain financial technology service in relation to trade receivables where JD Technology purchases trade receivables from us, enabling us to receive early payments for trade receivables, and thus scaling up rapidly while sustaining healthy working capital. See “—Material Related Party Transactions” for details.

FINANCIAL INFORMATION

Our trading terms with some of our customers are on credit. We primarily allow our customers a credit period of 30 to 180 days. Trade receivables are settled in accordance with the terms of the respective contracts. Aging analysis of trade receivables based on the invoice date is as follows:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Trade receivables:				
Within three months	23,246	15,318	32,622	60,125
Three to six months	9,386	5,779	996	8,765
Seven to twelve months	548	2,037	4,063	6,415
Over twelve months	4,801	2,510	5,045	3,095
Less: allowance for ECL	(5,555)	(4,889)	(8,667)	(5,784)
Total	32,426	20,755	34,059	72,616

As of October 31, 2025, RMB81.9 million, or 69.4%, of our trade and note receivables as of June 30, 2025 had been settled. We are of the view that there is no material recoverability issue with respect to the outstanding balance of our trade receivables as of June 30, 2025 and that sufficient provisions have been made for our trade receivables as of June 30, 2025 based on the facts that: (i) we continued to provide products and services to most of our customers during the Track Record Period; and (ii) our customers during the Track Record Period generally have a good track record of making trade payments to us and have been making regular payments.

Trade Payables

Our trade payables represent payables to our suppliers. The following table sets forth our trade payables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Trade payables	2,389,722	3,791,638	5,109,000	4,493,637

Our trade payables increased by 58.7% from RMB2.4 billion as of December 31, 2022 to RMB3.8 billion as of December 31, 2023. This increase was mainly attributable to our direct engagement with more suppliers that were previously engaged by JD Group which was previously recorded as amounts due to related parties, as well as our overall business expansion. Our trade payables further increased by 34.7% from RMB3.8 billion as of December 31, 2023 to RMB5.1 billion as of December 31, 2024, primarily driven by our business expansion. Our trade payables decreased by 12.0% from RMB5.1 billion as of December 31, 2024 to RMB4.5 billion as of June 30, 2025, primarily due to seasonal fluctuations of our business. See “—Liquidity and Capital Resources—Net Cash Generated from Operating Activities” for details.

The following table sets forth the turnover days of our trade payables attributable to continuing operations for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2022	2023	2024	2025
Turnover days of trade payables attributable to continuing operations ⁽¹⁾	62.7	76.5	93.8	103.5

Note:

(1) Turnover days of trade payables attributable to continuing operations for a period equals the average of the opening and closing trade payables balance attributable to continuing operations divided by cost of revenue for the relevant period and multiplied by 180 days or 360 days.

FINANCIAL INFORMATION

Our turnover days of trade payables attributable to continuing operations increased during the Track Record Period, amounting to 62.7 days in 2022, 76.5 days in 2023, 93.8 days in 2024 and 103.5 days in the six months ended June 30, 2025. Such consistent increase in turnover days of trade payables attributable to continuing operations was driven by our business expansion which led to greater bargaining power with suppliers, as well as our direct engagement with an increased number of suppliers that were previously engaged by JD Group (amounts payable to such suppliers were previously recorded as amounts due to related parties).

Our suppliers generally allow us a credit period of 30 to 90 days. The aging analysis of our trade payables based on the invoice date is as follows:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Trade payables:				
Within three months	2,010,377	3,652,829	4,873,192	4,058,646
Three to six months	330,664	90,018	183,537	356,808
Seven to twelve months	48,681	36,648	36,437	65,644
Over twelve months	—	12,143	15,834	12,539
Total	2,389,722	3,791,638	5,109,000	4,493,637

As of October 31, 2025, RMB4.5 billion, or 100.0%, of our trade payables as of June 30, 2025 had been settled.

Accrued Expenses and Other Payables

Accrued expenses and other payables consist of (i) deposits received, (ii) salary and welfare payables, (iii) advances from customers, (iv) other tax payables, (v) liabilities for return allowances, (vi) listing expenses and issuance costs payables, and (vii) others.

The following table sets forth accrued expenses and other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Accrued expenses and other payables				
Deposits received	257,855	439,807	518,744	524,837
Salary and welfare payables	158,095	165,156	228,105	182,693
Advances from customers	61,701	50,733	55,743	53,477
Other tax payables	107,128	29,258	112,133	18,968
Liabilities for return allowances	21,828	31,272	38,264	30,873
Listing expenses and issuance costs payables	—	38,579	33,679	33,581
Others	12,606	42,127	22,208	13,535
Total	619,213	796,932	1,008,876	857,964

Our accrued expenses and other payables increased by 28.7% from RMB619.2 million as of December 31, 2022 to RMB796.9 million as of December 31, 2023, primarily due to the increase in deposits received, and further increased by 26.6% to RMB1.0 billion as of December 31, 2024, primarily due to increases in other tax payables, deposits received, and salary and welfare payables. Our accrued expenses and other payables decreased by 15.0% from RMB1.0 billion as of December 31, 2024 to RMB858.0 million as of June 30, 2025, primarily due to decreases in other tax payables, and salary and welfare payables.

FINANCIAL INFORMATION

Contract Liabilities

Contract liabilities represent our obligation to provide services to customers for which we have received advance payments. We recorded RMB353.8 million, RMB228.5 million, RMB238.3 million and RMB207.4 million in contract liabilities as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively.

As of October 31, 2025, RMB190.5 million, or 92.1%, of our contract liabilities balance as of June 30, 2025, had been recognized.

Convertible Preferred Shares

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our convertible preferred shares had fair values of RMB5.6 billion, RMB7.5 billion, RMB7.7 billion and RMB7.6 billion, respectively. All of these convertible preferred shares are unsecured and unguaranteed.

Non-Current Assets/Liabilities

The following table sets forth our non-current assets and non-current liabilities as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Non-current assets:				
Property and equipment	7,693	5,691	8,135	11,652
Right-of-use assets	11,009	7,586	4,934	10,224
Goodwill	417,834	417,834	417,834	417,834
Other intangible assets	42,059	34,909	27,680	24,091
Financial assets at FVTPL	791,212	712,854	553,554	527,391
Deferred tax assets	—	26,735	84,112	97,685
Prepayments, other receivables and other assets	1,095	3,401	4,779	12,388
Total non-current assets	1,270,902	1,209,010	1,101,028	1,101,265
Non-current liabilities:				
Lease liabilities	6,356	2,609	1,039	5,076
Deferred tax liabilities	10,023	8,354	6,685	5,850
Total non-current liabilities	16,379	10,963	7,724	10,926

Financial Assets at Fair Value through Profit or Loss (Non-current Portion)

Our non-current financial assets at fair value through profit or loss consist of preferred shares investments in unlisted entities. Our non-current financial assets at fair value through profit or loss amounted to RMB791.2 million, RMB712.9 million, RMB553.6 million and RMB527.4 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, primarily in connection with our investments in unlisted entities. Our gains or losses from financial assets at fair value through profit or loss were recognized as other income and (losses)/gains, net in our consolidated results of operations. We invested in these unlisted companies that are complementary to our existing business in order to enhance our competitive position and improve our long-term profitability. We strictly adhered to the applicable investment policies when making these investment decisions. In particular, we conducted customary analysis and due diligence with respect to the target companies, and our management

FINANCIAL INFORMATION

approved such investments considering the favorable results of analysis conducted, due diligence results, and commercial terms. We have continuously and actively conducted post-investment management. We believe our management is experienced in industrial supply chain technology businesses leveraging their rich know-how accumulated in their careers, including through their management roles with us. After the Listing, any investments made by the Group will be subject to the relevant requirements under Chapter 14 of the Listing Rules.

Goodwill

We record goodwill primarily in connection with acquisitions. Our goodwill remained stable at RMB417.8 million as of December 31, 2022, 2023 and 2024 and June 30, 2025.

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 our Group for which the goodwill is monitored for internal management purpose.

Impairment review on the goodwill of our Group has been conducted by our management as of December 31, 2022, 2023 and 2024 according to IAS 36. For the purposes of impairment review, the recoverable amount of goodwill is determined based on value-in-use calculations by using the discounted cash flow method. Our management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of market developments. As of June 30, 2025, no impairment indicators were identified by the management, hence, no impairment testing has been performed for goodwill as of June 30, 2025.

Impairment test of goodwill from Suzhou Gongpinhui and the other acquisition

In April 2020, our Group completed the acquisition of Suzhou Gongpinhui and recognized goodwill amounting to RMB396.2 million. In 2021, the other acquisition represents an 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 has been allocated to the whole Group, which was identified as an individual cash generating unit.

As of December 31, 2022, 2023 and 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 five-year period financial projections, plus a terminal value related to cash flows beyond the projection period extrapolated at an estimated terminal growth rate of 3.0%, 2.5% and 2.5% for the years ended December 31, 2022, 2023 and 2024, respectively, considering China's GDP growth rate and inflation rate base in the prior years. Pre-tax discount rate of 21%, 20% and 19% for the years ended December 31, 2022, 2023 and 2024, respectively, were used to reflect market assessment of time value and the specific risks relating to the group of cash-generating units. Our management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of market developments.

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

	Year ended December 31,		
	2022	2023	2024
Compound annual growth rate of revenue for the five-year period	27%	22%	18%
Terminal growth rate	3.0%	2.5%	2.5%
Pre-tax discount rate	21%	20%	19%

FINANCIAL INFORMATION

Based on the goodwill impairment test, the headroom for the cash-generating unit amounted to RMB27,731 million, RMB38,007 million and RMB38,330 million, which are significantly higher than its respective carrying amount as of December 31, 2022, 2023 and 2024. Therefore, no impairment has been recognized for the goodwill related to Suzhou Gongpinhui and other acquisition for each year during the Track Record Period, as the recoverable amount was above the carrying amount. Our management believes that any reasonably possible change in any of these assumptions would not result in impairment.

Sensitivity analysis has been performed based on the assumptions that revenue or terminal value or the pre-tax discount rate has been changed. Had the estimated key assumptions during the Track Record Period been changed as below, the headroom would be decreased by as below:

	Year ended December 31,		
	2022	2023	2024
	(in thousands of RMB)		
Revenue for the five-year period decreases by 5%	1,823,379	1,906,174	1,898,964
Terminal value decrease by 5%	862,836	901,976	932,493
Pre-tax discount rate increases by 5%	1,817,119	1,829,781	1,816,276

Impairment test of ICMALL

In March 2021, we obtained control of ICMALL, and recognized goodwill amounting to RMB738.9 million. Goodwill is allocated to the cash-generating unit of ICMALL which represents the lowest level for internal management purposes.

As of December 31, 2022, the recoverable amount of the group of cash-generating units containing goodwill is determined based on value-in-use calculations by using the discounted cash flow method, based on five-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%. Pre-tax discount rate of 18.25% was used to reflect market assessment of time value and the specific risks relating to the group of cash-generating units. Our management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of market developments.

Based on the goodwill impairment test, the recoverable amount is above its carrying amount. Our management believes that any reasonably possible change in any of these assumptions would not result in impairment.

In September 2022, to optimize our service offerings, we terminated the irrevocable deed of voting proxy and power of attorney and accordingly deconsolidated ICMALL. Our Directors determined impairment of goodwill directly related to ICMALL amounting to RMB254.3 million in 2022. As a result of the deconsolidation, the results of operations of ICMALL are presented as discontinued operations for the years ended December 31, 2022.

For further information regarding the goodwill, see note 20 to the Accountants' Report in the Appendix I to this document.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
Growth of revenue from continuing operations (%)	36.6	22.6	17.7	20.3	18.9
Net margin(%) ⁽¹⁾	(9.8)	0.0	3.7	3.4	4.4
Adjusted net margin (non-IFRS measure) (%) ⁽²⁾	5.1	4.7	4.5	4.3	4.8

Notes:

- (1) Net margin equals profit or loss from continuing operations divided by revenue from continuing operations for the year/period and multiplied by 100%.
- (2) Non-IFRS net margin (non-IFRS measure) equals adjusted profit (non-IFRS measure) divided by revenue from continuing operations for the year/period and multiplied by 100%. See “—Non-IFRS Measure: Adjusted Profit (Non-IFRS Measure) for the Year/Period.”

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we funded our cash requirements principally from cash generated from operating activities and proceeds from private placement of convertible preferred shares. Our cash and cash equivalents represent cash, bank balance and term deposits, net of restricted cash. We had cash and cash equivalents of RMB12.3 million, RMB5.5 billion, RMB8.4 billion, RMB4.6 billion and RMB2.1 billion as of December 31, 2022, 2023, 2024 and June 30, 2025 and October 31, 2025, respectively.

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

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
				(Unaudited)	
	(in thousands of RMB)				
Net cash generated from operating activities . . .	1,975,302	1,378,930	1,296,404	56,803	292,483
Net cash (used in)/generated from investing activities	(4,455,607)	2,647,421	1,561,151	(223,856)	(4,098,370)
Net cash (used in)/generated from financing activities	(6,790)	1,429,663	(16,105)	(5,828)	(4,735)
Net (decrease)/increase in cash and cash equivalents	(2,487,095)	5,456,014	2,841,450	(172,881)	(3,810,622)
Cash and cash equivalents at the beginning of the year/period	2,440,609	12,344	5,488,742	5,488,742	8,372,098
Effects of foreign exchange rate changes on cash and cash equivalents	58,830	20,384	41,906	9,545	(1,798)
Cash and cash equivalents at the end of the year/period	12,344	5,488,742	8,372,098	5,325,406	4,559,678

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. We currently do not have any other plans for material additional external financing.

FINANCIAL INFORMATION

Net Cash Generated from Operating Activities

In the six months ended June 30, 2025, net cash generated from operating activities was RMB292.5 million, primarily attributable to our profit of RMB451.3 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payment expenses of RMB50.6 million and (ii) changes in working capital, which primarily resulted from the decrease in prepayments, other receivables and other assets of RMB1.0 billion, partially offset by the decrease in trade payables of RMB609.7 million and the increase in inventories of RMB354.1 million.

In 2024, net cash generated from operating activities was RMB1.3 billion, primarily attributable to our profit of RMB761.6 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of fair value changes of equity investments in unlisted entities measured as financial assets at FVTPL of RMB159.3 million, and share-based payment expenses of RMB125.2 million and (ii) changes in working capital, which primarily resulted from the increase in trade payables of RMB1.4 billion and the increase in accrued expenses and other payables of RMB210.1 million, partially offset by the increase in prepayments, other receivables and other assets of RMB941.5 million and increase in inventories of RMB390.9 million.

In 2023, net cash generated from operating activities was RMB1.4 billion, primarily attributable to our profit of RMB4.8 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of fair value changes of convertible preferred shares of RMB530.3 million, share-based payment expenses of RMB297.3 million, and losses from fair value changes on financial assets at FVTPL of RMB78.4 million, and (ii) changes in working capital, which primarily resulted from the increase in trade payables of RMB1.4 billion, and the increase in accrued expenses and other payables of RMB182.1 million, partially offset by the increase in prepayments, other receivables and other assets of RMB1.1 billion.

In 2022, net cash generated from operating activities was RMB2.0 billion, primarily attributable to our loss of RMB1.3 billion, as adjusted by (i) non-cash and non-operating items, which primarily consisted of fair value changes of convertible preferred shares of RMB1.8 billion, impairment of goodwill of RMB254.3 million, income tax expense of RMB192.0 million, and share-based payment expenses of RMB183.1 million, and (ii) changes in working capital, which primarily resulted from an increase in trade payables of RMB778.9 million and an increase in accrued expenses and other payables of RMB329.7 million.

See “—Discussion of Certain Key Items of Consolidated Statements of Financial Position” for primary reasons relating to the underlying causes for our operating cash flow changes.

Net Cash (Used in)/Generated from Investing Activities

In the six months ended June 30, 2025, net cash used in investing activities was RMB4.1 billion, primarily attributable to purchases of term deposits of RMB6.1 billion, partially offset by maturity of term deposits of RMB2.0 billion.

In 2024, net cash generated from investing activities was RMB1.6 billion, primarily attributable to maturity of term deposits of RMB5.6 billion, partially offset by purchase of term deposits of RMB4.0 billion.

In 2023, net cash generated from investing activities was RMB2.6 billion, primarily attributable to repayment from JD Group of RMB6.3 billion following our withdrawal from the treasury management scheme managed by JD Group, partially offset by purchase of term deposits of RMB3.6 billion.

FINANCIAL INFORMATION

In 2022, net cash used in investing activities was RMB4.5 billion, primarily attributable to net advances to JD Group of RMB4.3 billion to participate in the treasury management scheme managed by JD Group.

Net Cash (Used in)/Generated from Financing Activities

In the six months ended June 30, 2025, net cash used in financing activities was RMB4.7 million, primarily attributable to payments for repurchase of exercisable share options of RMB3.2 million and principal portion of lease payments of RMB1.2 million.

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

In 2023, net cash generated from financing activities was RMB1.4 billion, primarily attributable to proceeds from issuance of convertible preferred shares of RMB1.5 billion, and proceeds from exercise of share options of RMB250.6 million, partially offset by payments for repurchase of convertible preferred shares of RMB207.3 million.

In 2022, net cash used in financing activities was RMB6.8 million, primarily attributable to principal portion of lease payments of RMB6.6 million.

INDEBTEDNESS

Convertible Preferred Shares

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our convertible preferred shares had fair value of RMB5.6 billion, RMB7.5 billion, RMB7.7 billion and RMB7.6 billion, respectively. For further information regarding the preferred shares, see note 33 to the Accountants' Report in Appendix I to this document. Between June 30, 2025 and October 31, 2025, we did not issue, repurchase or make other changes to any preferred shares. All of these convertible preferred shares are unsecured and unguaranteed.

Lease Liabilities

Our lease liabilities are in relation to properties that we lease primarily for our offices. As of October 31, 2025, our lease liabilities amounted to RMB9.3 million. Certain of our lease liabilities were secured by the rental deposits and all of them were unguaranteed.

The following table sets forth present value of our lease liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
					(Unaudited)
	(in thousands of RMB)				
Lease liabilities:					
Non-current	6,356	2,609	1,039	5,076	5,549
Current	5,201	5,494	1,119	3,158	3,779
Total	11,557	8,103	2,158	8,234	9,328

FINANCIAL INFORMATION

The following table categorizes our lease liabilities into relevant maturity groups based on the remaining period from the balance sheet date to the contractual maturity date:

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
					(Unaudited)
	(in thousands of RMB)				
Present value of lease liabilities:					
Within one year	5,201	5,494	1,119	3,158	3,779
Between one and two years	4,517	1,551	610	2,919	3,003
Between two and five years	1,839	1,058	429	2,157	2,546
Total	11,557	8,103	2,158	8,234	9,328

No Other Outstanding Indebtedness

Except as discussed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or any material contingent liabilities as of October 31, 2025.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the years/periods indicated:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
				(Unaudited)	
	(in thousands of RMB)				
Purchases of property and equipment	5,106	4,858	6,361	1,876	4,712
Total	5,106	4,858	6,361	1,876	4,712

Our capital expenditure in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025 was RMB5.1 million, RMB4.9 million, RMB6.4 million, RMB1.9 million and RMB4.7 million, respectively, primarily attributable to purchases of property and equipment.

We expect that our capital expenditures in the remainder of 2025 will primarily consist of purchase of property and equipment. We intend to fund our future capital expenditures with our existing cash balance and cash generated from operating activities. We may reallocate the fund to be utilized on capital expenditure and long-term investments based on our ongoing business needs.

CONTRACTUAL OBLIGATIONS

Capital Commitments

We had no material capital commitments as of December 31, 2022, 2023 and 2024 and June 30, 2025.

Contingent Liabilities

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we did not have any contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities since June 30, 2025.

FINANCIAL INFORMATION

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

We had the following transactions during the Track Record Period with JD Group and JD Technology, each a related party of our Company:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(Unaudited)				
	(in thousands of RMB)				
Services and products provided to related parties:					
Marketing services provided to JD Group . . .	350,659	472,218	585,956	262,318	335,460
Services provided to JD Technology	4,842	7,530	2,564	188	369
Technology services provided to JD Group . .	13,003	6,705	6,263	1,943	1,663
Products provided to JD Group	—	1,544	30,706	6,744	41,519
Services and products received from related parties:					
Logistics and warehousing services received from JD Group	279,994	365,053	522,929	213,113	418,150
Technology and traffic support services received from JD Group	385,726	445,070	485,614	216,960	239,115
Marketing services received from JD Group	25,329	26,350	32,977	13,231	15,087
Payment services received from JD Group . .	101,923	123,885	73,989	46,748	27,964
Other services and share-based payments received from JD Group	523,882	201,657	88,683	60,754	24,893
Loyalty program services received from JD Group	24,548	26,143	10,448	7,334	2,780
Other services received from JD Technology	28,321	30,035	36,181	17,499	14,240
Factoring services received from JD Technology	105,189	138,840	192,967	74,862	90,258
Products received from JD Group	—	—	642	—	2,272
Receiving of interest:					
Interest income from JD Group	152,521	111,622	—	—	—

During the Track Record Period, the marketing services revenue, logistics and warehousing services expenses, technology and traffic support services expenses, payment services expenses, shared service expenses, loyalty program services expenses attributable to the Remaining Listing Business were carved out from the JD Group as all of these transactions and activities were carried out by JD Group.

After the Closing Date of the Series A Preferred Share financing, based on the terms stipulated in the Series A Share Subscription Agreements, terms and pricing policies of these transactions entered into by JD Group for our Group or between JD Group and us were established. We also supply industrial products to JD Group for its own use.

Services and Products Provided to Related Parties

We provide marketing services to JD Group. We charge JD Group marketing service fees calculated in accordance with the arrangement of continuing connected transaction.

FINANCIAL INFORMATION

Services and Products Received from Related Parties

- JD Group provides various logistics services to us in exchange for service fees, including but not limited to, warehouse operation and storage services, delivery 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.
- JD Group provides us with 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 our merchants and suppliers. JD Group charges commissions by applying a fixed rate on the fulfilled orders of industrial products and services generated through JD Group's online platforms.
- JD Group provides marketing services to us. JD Group charges us marketing service fees calculated in accordance with the underlying standard marketing service agreements.
- We use certain payment services through payment channels purchased by JD Group from third-party payment service providers or self-owned channels of JD Group, and the related costs are first settled by JD Group and later settled in full (on a cost basis of JD Group) by us. This allows us to utilize the payment services to enable efficient, safe and prompt real-time payment for our online transactions.
- JD Group provides certain back-office administrative support services to us, including but not limited to, cloud service, provision of servers, information technology support services and maintenance and related customer services. We pay JD Group the actual costs incurred during the service process. JD Group grants its service-based restricted share units and share options to our eligible employees under JD Group's Share Incentive Plan.
- Given that part of our businesses are operated on JD Group's platforms, our customers 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. We pay JD Group based on the number of loyalty points it granted and the relevant unit cost.
- We use certain payment services and other shared services provided by JD Technology in accordance with the underlying standard payment services agreement and shared services agreement.
- JD Technology provides supply chain financial technology services by purchasing trade receivables from the Group to enable it 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, which is determined with reference to the creditworthiness of the relevant customer.

Receiving of Interest

During the Track Record Period, to better utilize the excessive cash for higher returns, we participated in the treasury management scheme managed by JD Group, through transferring excessive cash to JD Group and charges interest accordingly. We were entitled to receive interest income from

FINANCIAL INFORMATION

JD Group based on the terms stipulated in the Series A Share Subscription Agreement. Since the completion of the Spin-off, we have terminated treasury management scheme with JD Group.

The table below sets forth our balances of amounts due from related parties as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in thousands of RMB)			
Amounts due from JD Group	6,317,177	1,147,897	2,097,782	835,571
Amounts due from JD Technology	2,501	6,762	6,457	5,699
Amounts due to JD Technology	16,435	84,723	35,734	36,114

The amounts due from JD Group primarily represented balances with JD Group, including (i) the profits generated by the Remaining Listing Business in JD Group and held by JD Group on behalf of us, which were unsecured, interest-free and repayable on demand, and (ii) our participation in the treasury management scheme managed by JD Group, which were unsecured, and interest bearing. These balances were non-trade in nature. We believe that our participation in the treasury management scheme managed by JD Group is in compliance with applicable laws and regulations. We have received the amounts under the treasury management scheme paid by JD Group in cash, and terminated this arrangement in 2023. Other than these balances, the amounts due from JD Group were incurred in the ordinary course of business with JD Group, which were trade in nature, and were unsecured and interest-free.

The amounts due from JD Technology were trade in nature, and were unsecured and non-interest bearing, which were incurred in the ordinary course of business.

The amounts due to JD Technology were incurred in the ordinary course of business, which were trade in nature, and were unsecured and interest-free.

The above amounts due from/due to related parties were unsecured, non-interest bearing and repayable on demand.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including market risks (such as foreign exchange risk, cash flow and fair value interest rate risk, and price risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Risk management is carried out by our senior management.

Foreign Exchange Risk

The functional currency of our entities incorporated in the Cayman Islands, British Virgin Islands and Hong Kong is US\$. 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.

FINANCIAL INFORMATION

During the Track Record Period, exchange gains and losses from those foreign currency transactions denominated in a currency other than the functional currency were insignificant.

Interest Rate Risk

Our 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. Our Company's cash flow interest rate risk primarily arose from cash and cash equivalents, restricted cash or interest-bearing amounts due from JD Group. We are also exposed to fair value interest risk in relation to term deposits and lease liabilities. The details have been disclosed in notes 26, 19 and 34, respectively, to the Accountants' Report in Appendix I to this document.

If the interest rate had been 50 basis points higher/lower and all other variable were held constant, the Group's post-tax loss for the year ended December 31, 2022 would have been approximately RMB23 million lower/higher, and the Group's post-tax profit for years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 would have been RMB17 million, RMB36 million and RMB39 million higher/lower, mainly as a result of higher/lower interest income on floating-rate cash and cash equivalents, restricted cash or interest bearing balances with JD Group.

Credit Risk

Our credit risk is mainly associated with cash and cash equivalents, restricted cash, trade receivables and other receivables. The carrying amounts of each class of the above financial assets represent our maximum exposure to credit risk in relation to financial assets.

Our cash and cash equivalents and restricted cash are mainly deposited in state-owned or reputable financial institutions in mainland China and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to these financial institutions. We consider these financial assets having a low credit risk, as they have a low risk of default and each related counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are insignificant during the Track Record Period. We consider that there is no significant credit risk and we will not generate any material losses due to the default of other parties.

Liquidity Risk

We aim to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, our policy is to regularly monitor our liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet our liquidity requirements.

FINANCIAL INFORMATION

The table below analyzes our non-derivative financial liabilities into relevant maturity groups based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	(in thousands of RMB)				
As of December 31, 2022					
Trade payables	2,389,722	—	—	—	2,389,722
Lease liabilities	5,324	4,842	2,073	—	12,239
Financial liabilities included in accrued expenses and other payables	332,162	—	—	—	332,162
Convertible preferred shares	—	—	—	2,551,288	2,551,288
	<u>2,727,208</u>	<u>4,842</u>	<u>2,073</u>	<u>2,551,288</u>	<u>5,285,411</u>
As of December 31, 2023					
Trade payables	3,791,638	—	—	—	3,791,638
Lease liabilities	5,624	1,651	1,170	—	8,445
Financial liabilities included in accrued expenses and other payables	571,246	—	—	—	571,246
Convertible preferred shares	—	—	—	4,012,864	4,012,864
	<u>4,368,508</u>	<u>1,651</u>	<u>1,170</u>	<u>4,012,864</u>	<u>8,384,193</u>
As of December 31, 2024					
Trade payables	5,109,000	—	—	—	5,109,000
Lease liabilities	1,136	698	468	—	2,302
Financial liabilities included in accrued expenses and other payables	630,374	—	—	—	630,374
Convertible preferred shares	—	—	2,152,379	1,956,318	4,108,697
	<u>5,740,510</u>	<u>698</u>	<u>2,152,847</u>	<u>1,956,318</u>	<u>9,850,373</u>
As of June 30, 2025					
Trade payables	4,493,637	—	—	—	4,493,637
Lease liabilities	3,194	3,030	2,285	—	8,509
Financial liabilities included in accrued expenses and other payables	625,430	—	—	—	625,430
Convertible preferred shares	—	—	2,461,298	1,630,366	4,091,664
	<u>5,122,261</u>	<u>3,030</u>	<u>2,463,583</u>	<u>1,630,366</u>	<u>9,219,240</u>

DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. Any future decision to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, the availability of dividends received from our subsidiaries, our future operations and earnings, capital requirements and surplus, cash flows, general financial condition, contractual restrictions and other factors that our Board deems relevant. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board. PRC laws require that dividends shall be paid only out of the profit for the year determined according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRSs. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or

FINANCIAL INFORMATION

Directors, where appropriate. We have adopted a dividend policy on November 26, 2025, which outlines the principles and guidelines as stated above. During the Track Record Period, no dividends were paid or declared by us.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this document. Our Directors confirm that we had no material defaults in payment of trade and non-trade payables during the Track Record Period. On the basis of the above, as well as the due diligence undertaken, the Joint Sponsors concur with the views of our Directors above.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we did not have any distributable reserves.

LISTING EXPENSE

Based on the mid-point Offer Price of HK\$14.10, the total estimated listing related expenses payable by us in relation to the offering of the Offer Shares under the Global Offering, together with the fees and expenses for professional advisors and service providers engaged for the Global Offering, is approximately RMB137.0 million (or approximately RMB82.6 million after excluding underwriting commission, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee of approximately RMB54.4 million and assuming the Over-allotment Option is not exercised). We incurred listing expenses of RMB53.7 million which has charged to our consolidated statements of comprehensive income during the Track Record Period. We estimate that the total listing expenses in the amount of RMB33.8 million will be charged to our consolidated statements of comprehensive income for the six months ending December 31, 2025. Such estimated listing expenses account for approximately 1.2% of the gross proceeds from the Global Offering. The balance of approximately RMB49.5 million, which mainly includes underwriting commission, is expected to be deducted from equity for the year ending December 31, 2025.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF OUR GROUP ATTRIBUTABLE TO OWNERS OF OUR COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company prepared in accordance with Rule 4.29(1) of the Listing Rules and is set out below to illustrate the effect of the Global Offering on the audited consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025, as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of our Group attributable to owners of our Company, had the Global Offering been completed as of June 30, 2025 or at any future dates.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company is prepared based on the audited consolidated net

FINANCIAL INFORMATION

tangible assets of our Group attributable to owners of our Company as of June 30, 2025 as derived from the Accountants' Report, as set out in Appendix I to this prospectus, and adjusted as follows:

	Audited consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 RMB'000 (Note 1)	Estimated net proceeds from the Global Offering RMB'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 RMB'000	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 per Share RMB (Note 3)	HK\$ (Note 4)
Based on an Offer Price of HK\$12.70 per Offer Share	559,736	2,363,837	2,923,573	1.30	1.43
Based on an Offer Price of HK\$15.50 per Offer Share	559,736	2,891,362	3,451,098	1.54	1.69

Notes:

- The audited consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 is derived from the Accountants' Report set out in Appendix I to this prospectus, which is based on the consolidated net assets of our Group attributable to the owners of our Company as of June 30, 2025 of RMB1,001,661,000 with adjustments for intangible assets and goodwill of our Group attributable to owners of our Company as of June 30, 2025 of RMB24,091,000 and RMB417,834,000, respectively.
- The estimated net proceeds from the Global Offering are based on 211,208,800 Offer Shares to be issued at the Offer Price of HK\$12.70 and HK\$15.50 per Offer Share, being the low-end and high-end of the indicative range of the Offer Price, respectively, after deduction of the estimated listing expenses and share issue costs (including underwriting fees and other related expenses) expected to be incurred by our Group subsequent to June 30, 2025 and does not take into account allotment and issuance of any Offer Shares upon the exercise of the Over-allotment Option and the Shares to be issued under the JD Industrials Share Incentive Plan, and the Shares which may be allotted and issued or repurchased by our Company under the general mandates granted to the directors of our Company. For the purpose of calculating the estimated net proceeds from the Global Offering, the translation of Hong Kong dollars into Renminbi was made at the exchange rate of HK\$1.00 to RMB0.9103 as disclosed in the Exchange Rate Conversion section of the prospectus. No representation is made that Hong Kong dollars have been, would have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.
- The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as at June 30, 2025 per Share is calculated based on 2,247,902,780 Shares, being the number of Shares expected to be in issue assuming that Global Offering had been completed on June 30, 2025. It does not take into account conversion of Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares (the "Preferred Shares") into Shares upon the completion of the Global Offering (the "Conversion"), allotment and issuance of any Offer Shares upon the exercise of the Over-allotment Option and the Shares to be issued under the JD Industrials Share Incentive Plan, and the Shares which may be allotted and issued or repurchased by our Company under the general mandates granted to the directors of our Company.
- The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share is converted from Renminbi into Hong Kong dollars at the rate of HK\$1.00 to RMB0.9103 as disclosed in the Exchange Rate Conversion section of the prospectus. No representation is made that the Renminbi have been, would have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.
- No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 to reflect any operating result or other transactions of our Group entered into subsequent to June 30, 2025. In particular, the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as shown on the table above have not been adjusted to illustrate the effect of the Conversion.
As of June 30, 2025, the carrying amount of 429,247,881 Preferred Shares of the Group was RMB7,636,457,000 and recognized as financial liabilities. The Preferred Shares shall automatically be converted without the payment of any additional consideration into ordinary shares upon the completion of the Global Offering based on initial conversion ratio of 1:1 for Series Pre-A Preference Shares, Series A Preference Shares and Series A-1 Preference Shares while based on the Conversion Adjustment as set out in section headed "History, Reorganization and Corporate Structure" of the Prospectus for Series B Preference Shares.
Had the Conversion and cash payment to the holders of Series B Preference Shares according to the Conversion Adjustment been assumed to take place as at June 30, 2025, the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company would have increased from approximately RMB2,923,573,000 to approximately RMB9,894,520,000 based on an Offer Price of HK\$12.70 per Offer Share, after taking into account the carrying amount of Preferred Shares of the Group as of June 30, 2025 and the cash payment under the Conversion Adjustment. The number of Shares used in the calculation would have increased from 2,247,902,780 Shares to 2,687,570,231 Shares based on an Offer Price of HK\$12.70 per Offer Share, after taking into account the Conversion of the Preferred Shares. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share would have increased to RMB3.68 (HK\$4.04) based on the Offer Price of HK\$12.70 per Offer Share. For the purpose of calculating the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share, the translation of Hong Kong dollars into Renminbi or Renminbi into Hong Kong dollars was made at the exchange rate of HK\$1.00 to RMB0.9103 as disclosed in the Exchange Rate Conversion section of the prospectus. No representation is made that Hong Kong dollars amounts have been, would have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

FINANCIAL INFORMATION

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there have been no material adverse changes in our financial, operational, or trading position or prospects since June 30, 2025, being the date of the latest reporting period ended of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this document, and there is no event since June 30, 2025 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business—Our Strategies” in this document for a detailed description of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK\$14.10 per Offer Share (being the mid-point of the Offer Price range stated in the prospectus), will be approximately HK\$2,827 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- Approximately 35% of the net proceeds, or approximately HK\$990 million, is expected to be used to further enhance our industrial supply chain capabilities over the next 48 to 60 months, including:
 - a) approximately 25% or HK\$707 million to further enhance our digital supply chain total solution, including:
 - i. elevating our product digitalization capabilities, including (i) expanding the product sub-categories and standardized SKUs in our product library, through massive product information collection and product data cleaning and extraction, (ii) enlarging our digital industrial product pool, and (iii) improving the AI technologies behind our product digitalization;
 - ii. upgrading our digital procurement capabilities, including (i) optimizing the connections and interfaces to allow customers to swiftly access and smoothly procure from us based on their specific needs, (ii) expanding the procurement management services to cater to the demand of growing and diverse customers, and (iii) improving the advanced data analytics and AI technologies behind our digital procurement systems;
 - iii. advancing our digital fulfillment capabilities, including (i) improving the precision of our intelligent decision-making system to determine the optimal fulfillment plans, (ii) enhancing the accuracy of our fulfillment timeline management, (iii) connecting with more logistics service providers to ensure high-quality fulfillment, and (iv) expanding our fulfillment network with better coverage; and
 - iv. strengthening our ability to connect and coordinate with our suppliers, in particular, our ability to (i) integrate with our suppliers’ diverse IT systems for better synchronization of their inventory information and production capacity, and (ii) work closely with our suppliers in predicting market demand, making accurate and informed production plans, and improving the efficiency of inventory management.

We plan to additionally recruit 30-40 employees focusing on the research and development of our end-to-end digital infrastructure. We expect these employees to have five to ten years of working experience in the internet industry, solid IT or computer science-related academic background, deep understanding about e-commerce for enterprise customers, and relevant project experience in module

FUTURE PLANS AND USE OF PROCEEDS

development and API design. Additionally, we intend to further enhance our technology and other service capabilities. We plan to recruit 15-25 employees, including experts in strategic consulting and planning and IT specialists for our technology and other services. We also plan to further develop and deliver more diverse operational and value-added services, and invest in employee training to improve our service quality. In addition, we plan to offer competitive compensation packages to attract top-notch professionals, and further incentivize and retain existing employees;

- b) approximately 10% or HK\$283 million to invest in technology infrastructure and middleware such as data analytics, algorithms, distributed search and high concurrency database capabilities to continuously improve our system performance in terms of compatibility, stability and reliability, and support the build-out of more advanced functionalities. We plan to increase our headcount for research and development employees with expertise in AI, data analytics, and algorithms, as well as deep knowledge of the industrial sector, to support the development and maintenance of our technology infrastructure and middleware. In addition, we intend to continue to invest in the hardware infrastructures, such as IT equipment, internet data center and big-data cluster equipment, as well as software license and cloud infrastructure. We also plan to enhance the protection of our intellectual property rights;
- Approximately 25% of the net proceeds, or approximately HK\$707 million, is expected to be used for business expansion across geographies over the next 48 to 60 months, including:
 - a) approximately 15% or HK\$424 million to expand product categories and industry verticals, through (i) broadening supplies and domain knowledge; (ii) recruiting talents with domestic and international experience in expansion areas such as professional MRO products and BOM products; and (iii) establishing business relationships with more suppliers across geographies. We plan to additionally recruit 40-60 employees dedicated to the expansion of product categories and industry verticals. We expect these employees to have more than five years of experience in development, sales and operations of product categories within professional MRO products and BOM products, or more than five years of selling and marketing experience in sub-verticals of our targeted industries. They should also have experience managing enterprise customers, as well as client resources and connections with key accounts in our targeted industries. We plan to recruit additional 20-30 dedicated employees in developing and managing business relationships with manufacturers, distributors and resellers. We expect these employees to have a combination of supply-end experience, product knowledge, business negotiation skills, as well as basic technological background that allows them to support our suppliers through training, coaching and analytics that help suppliers understand and respond to evolving customer needs. We also plan to host or participate in industry summits, conferences and forums to explore and engage with reputable suppliers. In addition, we plan to launch more promotional events to attract traffic for our supply-end participants;
 - b) approximately 10% or HK\$283 million to deepen our existing customer relationships and attract new customers, including cross-border customers, through (i) investing in

FUTURE PLANS AND USE OF PROCEEDS

sales and marketing efforts to enhance our brand recognition, and (ii) strengthening our purpose-built sales force by recruiting experienced personnel. We plan to spend efforts on marketing activities to educate potential customers and cultivate their mindset, for example, presenting at industry conferences and forums, attending various investment fairs, conducting management visits at our customers' plant sites or inviting customers for on-site visits, and hosting content marketing campaigns and webinars. We also plan to expand our sales team by recruiting additional 40-60 employees with in-depth industry knowledge, market data and resources to understand customer needs and determine appropriate sales strategies. In addition, we intend to improve our compensation plan for our sales force to incentivize them to develop relationship with new customers, and expand wallet share of existing customers;

- Approximately 30% of the net proceeds, or approximately HK\$848 million, is expected to be used for potential strategic investments or acquisitions.
 - We will selectively evaluate potential opportunities which are supplementary to our capabilities and know-how, and can generate operational synergies with us. We believe the potential target universe includes companies 1) with operational expertise in professional MRO products or BOM products to supplement our product domain knowledge, for example, the companies which primarily engage in sales of specific product categories and have expertise in product sourcing, procurement and operation, 2) operating in our underpenetrated sectors to diversify our vertical know-how, for example, the high-end manufacturing sector and the electronic vehicle manufacturing sector, as well as 3) operating in selected markets to expand our business presence.
 - When evaluating potential opportunities, we will consider various criteria, including the target's (i) customer base, (ii) strengths in product categories and industry verticals, (iii) geographic exposure, and (iv) financial track record.
 - We believe the availability of acquisition target remains broad considering the large market size and fragmented market landscape of China's secondary industry. As of December 31, 2024, China's secondary industry had more than 6.0 million industrial enterprises in total, among which small and medium enterprises accounted for more than 98.0%, and the majority of which are private companies. In addition, according to the National Bureau of Statistics, as of December 31, 2024, there had been more than 38,000 wholesalers of machinery and equipment, hardware tools and electronic products in China, most of which are small and medium enterprises as well.
 - If the net proceeds are insufficient to cover the acquisition costs, we plan to finance the shortfall through our liquidity resources on balance or other financing instruments.

As of the Latest Practicable Date, we had not identified any specific investment or acquisition targets; and

- Approximately 10%, or approximately HK\$283 million, of the net proceeds is expected to be used for general corporate purposes and working capital needs.

In the event that the Offer Price is set at the Maximum Offer Price or the Minimum Offer Price of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease by approximately HK\$290 million, respectively. If we make an upward or downward offer price

FUTURE PLANS AND USE OF PROCEEDS

adjustment to set the final Offer Price to be above or below the mid-point of the Offer Price Range, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro rata basis.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be (i) HK\$481 million (assuming an Offer Price of HK\$15.50 per Share, being the Maximum Offer Price), (ii) HK\$438 million (assuming an Offer Price of HK\$14.10 per Share, being the mid-point of the Offer Price Range) and (iii) HK\$394 million (assuming an Offer Price of HK\$12.70 per Share, being the Minimum Offer Price).

To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are either more or less than expected, we may adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, we will only place the net proceeds into short-term deposits with licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in the PRC). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

UNDERWRITING

HONG KONG UNDERWRITERS

Merrill Lynch (Asia Pacific) Limited
UBS AG Hong Kong Branch
Haitong International Securities Company Limited
Goldman Sachs (Asia) L.L.C.
Huatai Financial Holdings (Hong Kong) Limited
ABCI Securities Company Limited
BOCI Asia Limited
CLSA Limited
CMBC Securities Company Limited
Futu Securities International (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
ICBC International Securities Limited
Orient Securities (Hong Kong) Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 21,121,000 Offer Shares and the International Offering of initially 190,087,800 Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed “Structure of the Global Offering” in this prospectus as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on December 1, 2025. Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any additional Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

UNDERWRITING

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Overall Coordinators, for themselves and on behalf of the Hong Kong Underwriters, may in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (i) there develops, occurs, exists or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting the Cayman Islands, Hong Kong, the PRC or the United States (each a “**Relevant Jurisdiction**”); or
 - (b) any change or development, or any event or series of events likely to result in or representing a change or development, in local, national, regional or international financial, political, economic, currency market, fiscal or regulatory conditions or any monetary or trading settlement system (including, without limitation, conditions in stock markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States) in or affecting any Relevant Jurisdiction; or
 - (c) any event or series of events in the nature of force majeure (including, without limitation, fire, explosion, earthquake, flooding, tsunami, volcanic eruption, acts of war (whether declared or not), acts of terrorism (whether or not responsibility has been claimed), acts of God); or
 - (d) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in whatever form in or directly or indirectly affecting any Relevant Jurisdiction; or
 - (e) trading in securities generally on the Stock Exchange, the New York Stock Exchange or the NASDAQ Global Market shall have been suspended or materially limited; or
 - (f) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent authority), or any Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or
 - (g) any contravention by the Company, any of the Major Subsidiaries or any of their respective directors or supervisors or senior management (if applicable) of the Companies Ordinance, the Company Law of the PRC, the Listing Rules or the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and supporting guidelines issued by the CSRC and the Provisions on

UNDERWRITING

Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (collectively, the “**CSRC Rules**”); or

- (h) a prohibition on the Company for whatever reason from allotting, issuing or selling the Offer Shares (including any additional Shares which the Company may be required to issue upon exercise of the Over-allotment Option) pursuant to the terms of the Global Offering;

which, in any such case individually or in the aggregate, in the reasonable opinion of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (a) is or will be or is likely to be materially adverse to, or materially and prejudicially affects, the assets, liabilities, business, general affairs, management, shareholder’s equity, profit, losses, results of operations, position or condition (financial or otherwise), or prospects of the Group; or
 - (b) has or will have or is likely to have a material adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or has made or is likely to make it impracticable or inadvisable or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or
 - (c) makes or will make it or is likely to make it impracticable or inadvisable or incapable to proceed with the Hong Kong Public Offering and/or the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, the formal notice in connection with the Hong Kong Public Offering, the preliminary offering circular or the final offering circular; or
 - (d) would have or is likely to have the effect of making a part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (ii) there has come to the notice of the Joint Sponsors, the Overall Coordinators or any of the Hong Kong Underwriters:
 - (a) that any statement contained in this prospectus and the formal notice in connection with the Hong Kong Public Offering (the “**Hong Kong Public Offering Documents**”) or the preliminary offering circular was or has become untrue, incorrect or misleading in a material respect or any forecasts, estimate, expressions of opinion, intention or expectation expressed in the foregoing documents are not fair and honest in a material respect, when taken as a whole; or
 - (b) any material breach of any of the obligations (including the representations, warranties and undertakings given by the Company) of the Company under the Hong Kong Underwriting Agreement; or

UNDERWRITING

- (c) any person (other than the Joint Sponsors) has withdrawn its consent to being named in any of the Hong Kong Public Offering Documents, or to the issue of any of the Hong Kong Public Offering Documents; or
- (d) the grant or agreement to grant by the Stock Exchange of the listing of, and permission to deal in, the Shares on the Main Board of the Stock Exchange (the “**Admission**”) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the Admission is subsequently withdrawn, canceled, qualified (other than by customary conditions), revoked or withheld; or
- (e) an order or a petition being presented for the winding-up or liquidation of the Company or any of the Major Subsidiaries, or the Company or any of the Major Subsidiaries making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of the Company or any of the Major Subsidiaries or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of the Company or any of the Major Subsidiaries or anything analogous thereto occurs in respect of the Company or any of the Major Subsidiaries; or
- (f) any material adverse change in the earnings, results of operations, business affairs, business or management prospects, financial or trading position or conditions (financial or otherwise) of the Group taken as a whole; or
- (g) the Company has withdrawn the Hong Kong Public Offering Documents (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (h) any non-compliance of the CSRC filings with the CSRC Rules rendering the approvals and filings related thereto no longer effective or valid.

LOCK-UP ARRANGEMENTS

Undertakings by the Company and the Controlling Shareholders to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued or sold or transferred out of treasury by the Company or form the subject of any agreement to such an issue, or sale or transfer out of treasury within six months from the Listing Date (whether or not such issue of Shares or securities, or sale or transfer of treasury shares will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option), and (b) under any of the other circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, except pursuant to the Global Offering and

UNDERWRITING

Listing, it will not and will procure that the relevant registered holder(s) will not without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirement of the Listing Rules:

- (1) in the period commencing on the date by reference to which disclosure of its holding of Shares is made in this prospectus and ending on the date which is six months from the Listing Date (the “**First Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it is shown by this prospectus to be the beneficial owner; or
- (2) in the period of six months commencing from the expiry of the First Six-Month Period (the “**Second Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any such Shares referred to in (1) above if, immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a Controlling Shareholder of the Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that during the First Six-Month Period and the Second Six-Month Period:

- (1) if it pledges or charges any Shares beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, it will immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and
- (2) if it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, it will immediately inform the Company of such indications.

Undertakings by the Company pursuant to the Hong Kong Underwriting Agreement

The Company hereby undertakes to each of the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, except for (a) issuance of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option) and (b) issuance of any Shares pursuant to the Share Incentive Plans, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date, it will not, without the prior written consent of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to

UNDERWRITING

receive, or any warrants or other rights to purchase, any Shares or other securities of the Company or any interest in any of the foregoing), or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts; or

- (ii) enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company); or
- (iii) enter into any transaction with the same economic effect as any transaction specified in paragraphs (i) or (ii) above; or
- (iv) offer to, or agree to, or effect any transaction specified in paragraphs (i), (ii) or (iii) above or announce any intention to do so,

in each case, whether any of the transactions specified in paragraphs (i), (ii) or (iii) above is to be settled by delivery of Shares or other equity securities of the Company, as applicable, or in cash or otherwise (whether or not the issue of such Shares or other shares or equity securities will be completed within six months from the Listing Date).

Joint Sponsors' and Hong Kong Underwriters' Interests in the Company

Save as disclosed in this prospectus, and save for their respective obligations under the Hong Kong Underwriting Agreement and, if applicable, the Stock Borrowing Agreement, as of the Latest Practicable Date, none of the Joint Sponsors or the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group. Further, see the section headed “Statutory and General Information—E. Other Information—3. Joint Sponsors” in Appendix IV to this prospectus for the Joint Sponsors’ independence declaration pursuant to Rule 3A.07 of the Listing Rules.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, amongst others, the International Underwriters on the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers or purchasers for, or themselves to subscribe for or purchase, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not

UNDERWRITING

entered into, the Global Offering will not proceed. See the section headed “Structure of the Global Offering—The International Offering” in this prospectus.

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 31,681,200 Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See the section headed “Structure of the Global Offering—Over-allotment Option” in this prospectus.

Commissions and Expenses

All Capital Market Intermediaries participating in the Global Offering will receive an aggregate underwriting commission equal to 1.1% of the aggregate Offer Price payable in respect of all of the Offer Shares (including any Offer Shares issued pursuant to the exercise of the Over-allotment Option) (the “**Fixed Fee**”). In addition, the Company may, in its sole discretion, pay to all Capital Market Intermediaries an incentive fee in an aggregate of up to 0.9% of the aggregate Offer Price payable in respect of all of the Offer Shares (including any Offer Shares issued pursuant to the exercise of the Over-allotment Option) (the “**Discretionary Fee**”). Assuming the Discretionary Fees are paid in full and based on an Offer Price of HK\$14.10, being the mid-point of the indicative Offer Price range, the ratio of the Fixed Fees and Discretionary Fees payable to all Capital Market Intermediaries is approximately 41.36:58.64. For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay the underwriting commission for such Shares to the International Underwriters (but not the Hong Kong Underwriters).

The aggregate amount of sponsor fee payable by our Company to the Joint Sponsors is US\$2,000,000.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK\$150.5 million (assuming an Offer Price of HK\$14.10 per Offer Share (which is the mid-point of the Offer Price range), the full payment of the Discretionary Fee and the Over-allotment Option is not exercised) and will be paid by the Company.

Indemnity

The Company has agreed to indemnify each of the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any material breach by the Company of the Hong Kong Underwriting Agreement.

UNDERWRITING

ACTIVITIES BY SYNDICATE MEMBERS

The Underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group’s loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over-the-counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering” in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to

UNDERWRITING

the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, lending and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

211,208,800 Offer Shares will initially be made available under the Global Offering comprising:

- (a) the Hong Kong Public Offering of initially 21,121,000 Offer Shares (subject to reallocation) in Hong Kong as described in the paragraph headed “—The Hong Kong Public Offering” below; and
- (b) the International Offering of initially 190,087,800 Offer Shares (subject to reallocation and the Over-allotment Option) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (ii) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the paragraph headed “—The International Offering” below.

Investors may either (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 7.86% of the total Shares in issue immediately following the completion of the Global Offering and the Conversion Adjustment, assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 8.93% of the total Shares in issue immediately following the completion of the Global Offering and the Conversion Adjustment.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 21,121,000 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.79% of the total Shares in issue immediately following the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

STRUCTURE OF THE GLOBAL OFFERING

Completion of the Hong Kong Public Offering is subject to the conditions set out in the paragraph headed “—Conditions of the Global Offering” below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot and with any odd lots being allocated to Pool A) into two pools: pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 10,560,400 Hong Kong Offer Shares is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators (for themselves and on behalf of the Underwriters) may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. The additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators may reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deem appropriate.

STRUCTURE OF THE GLOBAL OFFERING

In accordance with Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange, in the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, the maximum total number of Offer Shares that may be allocated to the Hong Kong Public Offering following any reallocation from the International Offering to the Hong Kong Public Offering shall be not more than 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) (i.e. 31,681,200 Shares) and the final Offer Price shall be fixed at the bottom end of the indicative price range (i.e. HK\$12.70 per Offer Share).

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$15.50 per Offer Share in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$3,131.26 for one board lot of 200 Shares. If the Offer Price, as finally determined in the manner described in the paragraph headed “—Pricing and Allocation” below, is less than the maximum Offer Price of HK\$15.50 per Offer Share, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 190,087,800 Offer Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 7.07% of the total Shares in issue immediately following the completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans).

STRUCTURE OF THE GLOBAL OFFERING

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States as well as institutional and professional investors and other investors anticipated to have a sizable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in the paragraph headed “—Pricing and Allocation” below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters.

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 31,681,200 additional Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.17% of the total Shares in issue immediately following the completion of the Global Offering, the Conversion Adjustment and the full exercise of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STRUCTURE OF THE GLOBAL OFFERING

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of the Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the Shares, (b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares, (c) purchasing, or agreeing to purchase, the Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the Shares, (e) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases, and (f) offering or attempting to do anything as described in paragraphs (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (a) as a result of effecting transactions to stabilize or maintain the market price of the Shares, the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the Shares;
- (b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;
- (c) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the Shares;
- (d) no stabilizing action can be taken to support the price of the Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Wednesday, January 7, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;

STRUCTURE OF THE GLOBAL OFFERING

- (e) the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- (f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by, among other methods, exercising the Over-allotment Option in full or in part, by using Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or through the Stock Borrowing Agreement as detailed below or a combination of these means.

STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocations, if any, in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may choose to borrow up to 31,681,200 Shares (being the maximum number of Shares which may be issued pursuant to the exercise of the Over-allotment Option) from JD Industrial Technology Limited, pursuant to the stock borrowing agreement, which is expected to be entered into between the Stabilizing Manager (or any person acting for it) and JD Industrial Technology Limited on or about the Price Determination Date (the “**Stock Borrowing Agreement**”).

If the Stock Borrowing Agreement with JD Industrial Technology Limited is entered into, the borrowing of Shares will only be effected by the Stabilizing Manager (or any person acting for it) for the settlement of over-allocations in the International Offering and such borrowing arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules, being that the Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering, are complied with.

The same number of Shares so borrowed must be returned to JD Industrial Technology Limited or its nominees, as the case may be, on or before the third business day following the earlier of (a) the last day for exercising the Over-allotment Option and (b) the day on which the Over-allotment Option is exercised in full or in part.

The Shares borrowing arrangement described above will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to JD Industrial Technology Limited by the Stabilizing Manager (or any person acting for it) in relation to such Shares borrowing arrangement.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Tuesday, December 9, 2025 and, in any event, no later than 12:00 noon on Tuesday, December 9, 2025, by

STRUCTURE OF THE GLOBAL OFFERING

agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK\$15.50 per Offer Share and is expected to be not less than HK\$12.70 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, the maximum Offer Price of HK\$15.50 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$3,131.26 for one board lot of 200 Shares.

Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the lower end of the price range stated in this prospectus.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they considered appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered and/or the Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, promptly following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of the Company and the Stock Exchange at jingdongindustrials.com and www.hkexnews.hk, respectively, notices of the reduction. Such notice will also include confirmation or revision, as appropriate, of the use of proceeds of the Global Offering, the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change materially as a result of any such reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price range will be final and the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters), the Company, will be fixed within such revised Offer Price range. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering.

If, after the issue of this prospectus and before the commencement of dealings in our Shares, there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global

STRUCTURE OF THE GLOBAL OFFERING

Offering (other than pursuant to the reallocation mechanism as disclosed in this prospectus), or change to the Offer Price falling outside the indicative Offer Price range as stated in this prospectus, or if the Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer on FINI and issue a supplemental prospectus or a new prospectus.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed “How to Apply for Hong Kong Offer Shares—B. Publication of Results” in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;
- (b) the Offer Price having been agreed between the Overall Coordinators (for themselves on behalf of the Underwriters) and the Company;
- (c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- (d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

If, for any reason, the Offer Price is not agreed among the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company on or before 12:00 noon on Tuesday, December 9, 2025 the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the websites of the Company and the Stock Exchange at jindongindustrials.com and www.hkexnews.hk, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares—D. Despatch/Collection of Share Certificates and Refund of Application Monies” in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Thursday, December 11, 2025, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, December 11, 2025, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, December 11, 2025.

The Shares will be traded in board lots of 200 Shares each and the stock code of the Shares will be 7618.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at jingdongindustrials.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (*for the **White Form eIPO** service only*);
- are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S; and
- are not a legal or natural person of the PRC (except qualified domestic institutional investors).

Unless permitted by the Listing Rules or any relevant waivers and/or consent that have been granted by the Stock Exchange to the Company, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing beneficial owner of Shares and/or any of our subsidiaries;
- are a director or chief executive of the Company and/or any of our subsidiaries;
- are a close associate of any of the above persons; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Wednesday, December 3, 2025 and end at 12:00 noon on Monday, December 8, 2025 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

<u>Application Channel</u>	<u>Platform</u>	<u>Target Investors</u>	<u>Application Time</u>
White Form eIPO service	<u>www.eipo.com.hk</u>	Investors who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, December 3, 2025 to 11:30 a.m. on Monday, December 8, 2025 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Monday, December 8, 2025 (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC's FINI system in accordance with your instructions.	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian .

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

HOW TO APPLY FOR HONG KONG OFFER SHARES

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/ Joint Applicants

- Full name(s)² as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
 - i. HKID card; or
 - ii. National identification document; or
 - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)² as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
 - i. LEI registration document; or
 - ii. Certificate of incorporation; or
 - iii. Business registration certificate; or
 - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through the **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 200 Hong Kong Offer Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK\$15.50 per Share.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your **broker** or **custodian**.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
200	3,131.26	5,000	78,281.59	80,000	1,252,505.40	2,000,000	31,312,635.00
400	6,262.53	6,000	93,937.90	90,000	1,409,068.58	3,000,000	46,968,952.50
600	9,393.79	7,000	109,594.22	100,000	1,565,631.76	4,000,000	62,625,270.00
800	12,525.05	8,000	125,250.55	200,000	3,131,263.50	5,000,000	78,281,587.50
1,000	15,656.32	9,000	140,906.86	300,000	4,696,895.26	6,000,000	93,937,905.00
1,200	18,787.58	10,000	156,563.18	400,000	6,262,527.00	7,000,000	109,594,222.50
1,400	21,918.85	20,000	313,126.36	500,000	7,828,158.76	8,000,000	125,250,540.00
1,600	25,050.11	30,000	469,689.53	600,000	9,393,790.50	9,000,000	140,906,857.50
1,800	28,181.37	40,000	626,252.70	700,000	10,959,422.26	10,560,400 ⁽¹⁾	165,336,975.33
2,000	31,312.64	50,000	782,815.88	800,000	12,525,054.00		
3,000	46,968.96	60,000	939,379.06	900,000	14,090,685.76		
4,000	62,625.26	70,000	1,095,942.23	1,000,000	15,656,317.50		

HOW TO APPLY FOR HONG KONG OFFER SHARES

- ⁽¹⁾ Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- ⁽²⁾ The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **White Form eIPO** Service Provider (for applications made through the application channel of the **White Form eIPO** Service Provider) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “—A. Application for Hong Kong Offer Shares—3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

The Hong Kong Share Registrar would record all applications into its system and identify suspected multiple applications with identical names, identification document numbers and reference numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;
- (iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) agree that the Relevant Persons¹, the Hong Kong Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares nor participated in the International Offering;
- (viii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the Hong Kong Share Registrar, the receiving banks, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraphs headed “—G. Personal Data—3. Purposes” and “—G. Personal Data—4. Transfer of personal data” in this section;
- (ix) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (x) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the Hong Kong Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “—B. Publication of Results” in this section;
- (xi) confirm that you are aware of the situations specified in the paragraph headed “—C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares” in this section;
- (xii) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xiii) represent, warrant and undertake that (a) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act and (b) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are

¹ Relevant Persons would include the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering

HOW TO APPLY FOR HONG KONG OFFER SHARES

outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

- (xiv) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Memorandum and Articles of Association, the Cayman Companies Act and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (xv) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;
- (xvi) warrant that the information you have provided is true and accurate;
- (xvii) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xix) authorize (a) us to place your name(s) or the name of HKSCC Nominees on our register of members as the holder(s) of any Hong Kong Offer Shares allocated to you and such other registers as required under our Memorandum and Articles of Association; and (b) us and/or our agents to send any Share certificate(s) and/or any **White Form e-Refund** payment instructions and/or any refund check(s) to you or the first-named applicant for joint applications by ordinary post at your own risk to the address stated on the application, unless you have fulfilled the criteria mentioned in “— D. Despatch/ Collection of Share Certificates and Refund of Application Monies” below to collect the Share certificate(s) and/or refund check(s) in person;
- (xx) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xxi) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by any one as your agent or by any other person; and
- (xxii) (if you are making the application as an agent for the benefit of another person) warrant that (a) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **White Form eIPO**

HOW TO APPLY FOR HONG KONG OFFER SHARES

Service Provider and (b) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

For the avoidance of doubt, we and all other parties involved in the preparation of this prospectus acknowledge that each applicant and HKSCC Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/ Time	
Applying through White Form eIPO service or HKSCC EIPO channel:		
Website	The designated results of allocation website at <u>www.iporesults.com.hk</u> (alternatively: <u>www.eipo.com.hk/eIPOAllotment</u>) with a “search by ID” function. The full list of (i) wholly or partially successful applicants using the White Form eIPO service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the “Allotment Results” page of the White Form eIPO service at <u>www.iporesults.com.hk</u> (alternatively: <u>www.eipo.com.hk/eIPOAllotment</u>). The Stock Exchange’s website at <u>www.hkexnews.hk</u> and our website at <u>jingdongindustrials.com</u> which will provide links to the above mentioned websites of the Hong Kong Share Registrar.	24 hours, from 11:00 p.m. on Wednesday, December 10, 2025 to 12:00 midnight on Tuesday, December 16, 2025 (Hong Kong time). No later than 11:00 p.m. on Wednesday, December 10, 2025 (Hong Kong time).
Telephone	+852 2862 8555 – the allocation results telephone enquiry line provided by the Hong Kong Share Registrar.	between 9:00 a.m. and 6:00 p.m., from Thursday, December 11, 2025 to Tuesday, December 16, 2025 (Hong Kong time) on a business day.

For those applying through **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Tuesday, December 9, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, December 9, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the Global Offering, the level of applications in the Hong Kong Public Offering and the basis of

HOW TO APPLY FOR HONG KONG OFFER SHARES

allocations of Hong Kong Offer Shares on the Stock Exchange's website at www.hkexnews.hk and our website at jingdongindustrials.com by no later than 11:00 p.m. on Wednesday, December 10, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the Hong Kong Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “—A. Application for Hong Kong Offer Shares—5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of the Hong Kong Offer Shares, the receiving banks will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Shares allotment from their designated bank.

HOW TO APPLY FOR HONG KONG OFFER SHARES

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the Hong Kong Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid at 8:00 a.m. on Thursday, December 11, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	<u>White Form eIPO service</u>	<u>HKSCC EIPO channel</u>
Despatch/ collection of Share certificate²		
For physical Share Certificates of 1,000,000 or more Offer Shares issued under your own name	Collection in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, or any other place notified by us. Time: from 9:00 a.m. to 1:00 p.m. on Thursday, December 11, 2025 (Hong Kong time), or any other date notified by us. If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. Note: If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.
For physical Share Certificates of less than 1,000,000 Offer Shares issued under your own name	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk. Time: on or before Wednesday, December 10, 2025, or any other date notified by us.	

² Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Wednesday, December 10, 2025 rendering it impossible for the relevant Share certificates to be despatched to HKSCC in a timely manner, the Company shall procure the Hong Kong Share Registrar to arrange for delivery of the supporting documents and Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "—E. Severe Weather Arrangements" in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

	White Form eIPO service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Thursday, December 11, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party	Hong Kong Share Registrar	Your broker or custodian
Application monies paid through single bank account	White Form e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Monday, December 8, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an “extreme conditions” announcement issued after a super typhoon (“**Extreme Conditions**”),

(collectively, “**Severe Weather Signals**”), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, December 8, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and our website at jingdongindustrials.com of the revised timetable.

If a Severe Weather Signal is hoisted on Wednesday, December 10, 2025:

- the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the Share certificates to the CCASS depository’s service counter so that they would be available for trading on Thursday, December 11, 2025.
- the despatch of physical Share certificates of less than 1,000,000 Offer Shares issued under your own name will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, December 10, 2025 or on Thursday, December 11, 2025).

HOW TO APPLY FOR HONG KONG OFFER SHARES

If a Severe Weather Signal is hoisted on Thursday, December 11, 2025, physical Share certificates of 1,000,000 Offer Shares or more issued under your own name are available for collection in person at the Hong Kong Share Registrar's office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, December 11, 2025 or on Friday, December 12, 2025).

Prospective investors should be aware that if they choose to receive physical Share certificates issued in their own name, there may be a delay in receiving the Share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the Hong Kong Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the Hong

HOW TO APPLY FOR HONG KONG OFFER SHARES

Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form e-Refund** payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the Hong Kong Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the Hong Kong Share Registrar, in each case for the purposes of providing

HOW TO APPLY FOR HONG KONG OFFER SHARES

its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);

- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the Hong Kong Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the Hong Kong Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the Hong Kong Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-89 received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JINGDONG INDUSTRIALS, INC., MERRILL LYNCH (ASIA PACIFIC) LIMITED, UBS SECURITIES HONG KONG LIMITED, HAITONG INTERNATIONAL CAPITAL LIMITED AND GOLDMAN SACHS (ASIA) L.L.C.

Introduction

We report on the historical financial information of JINGDONG Industrials, Inc. (the "Company"), its subsidiaries and consolidated affiliated entities (collectively referred to as the "Group") set out on pages I-4 to I-89, which comprises the consolidated statements of financial position of the Group as at December 31, 2022, 2023 and 2024 and June 30, 2025, the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and June 30, 2025, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income/ (expense), the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2024 and the six months ended June 30, 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-89 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated December 3, 2025 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Notes 1.2 and 3.1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Notes 1.2 and 3.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises 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 six months ended June 30, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Notes 1.2 and 3.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Notes 1.2 and 3.1 to the Historical Financial Information.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at December 31, 2022, 2023 and 2024 and June 30, 2025, of the Company's financial position as at December 31, 2022, 2023 and 2024 and June 30, 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Notes 1.2 and 3.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 30 to the Historical Financial Information which states that no dividend was declared or paid by the Company or its subsidiaries or its consolidated affiliated entities in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
December 3, 2025

HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on the consolidated financial statements of the Group and the financial statements of the Remaining Listing Business as defined in Note 3.1 to the Historical Financial Information for the Track Record Period (collectively the "Underlying Financial Statements").

The Underlying Financial Statements have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended December 31,			Six months ended June 30,	
	Notes	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Continuing operations						
Revenue	6	14,134,695	17,335,883	20,397,741	8,620,041	10,250,388
Cost of revenue		(11,593,787)	(14,537,219)	(17,084,356)	(7,163,426)	(8,348,798)
Gross profit		2,540,908	2,798,664	3,313,385	1,456,615	1,901,590
Fulfillment expenses		(781,599)	(942,606)	(1,126,706)	(506,080)	(796,213)
Selling and marketing expenses ...		(564,612)	(702,883)	(844,515)	(366,665)	(485,721)
Research and development expenses		(344,875)	(295,219)	(289,334)	(146,975)	(142,574)
General and administrative expenses		(142,600)	(314,841)	(193,710)	(90,313)	(90,962)
Other income and (losses)/gains, net	7	(36,513)	3,571	(25,227)	(38,100)	93,304
Finance income	8	158,559	287,401	293,277	160,266	129,426
Finance costs	9	(105,560)	(139,268)	(193,182)	(75,016)	(90,305)
Fair value changes of convertible preferred shares	33	(1,915,655)	(530,279)	(47,607)	(9,084)	(4,495)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	10	(417)	(4,182)	(3,778)	(6,594)	(1,988)
(Loss)/profit before income tax from continuing operations ...	13	(1,192,364)	160,358	882,603	378,054	512,062
Income tax expense	11	(191,734)	(155,559)	(120,995)	(86,807)	(60,748)
(Loss)/profit for the year/period from continuing operations ...		(1,384,098)	4,799	761,608	291,247	451,314
Discontinued operations						
Profit for the year/period from discontinued operations	12	114,966	—	—	—	—
(Loss)/profit for the year/period		(1,269,132)	4,799	761,608	291,247	451,314
(Loss)/profit for the year/period attributable to the owners of the Company:						
From continuing operations		(1,384,098)	4,799	761,608	291,247	451,314
From discontinued operations		49,970	—	—	—	—
		(1,334,128)	4,799	761,608	291,247	451,314
Profit for the year/period attributable to non-controlling interests:						
From discontinued operations		64,996	—	—	—	—
		64,996	—	—	—	—
(Loss)/earnings per share		RMB	RMB	RMB	RMB	RMB
Basic	17	(0.79)	—*	0.37	0.14	0.22
Dilute	17	(0.79)	—*	0.33	0.12	0.18

* Less than RMB0.01

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(EXPENSE)

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/profit for the year/period	<u>(1,269,132)</u>	<u>4,799</u>	<u>761,608</u>	<u>291,247</u>	<u>451,314</u>
Other comprehensive income/(expense)					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations	16,531	(1,878)	(9,883)	(2,501)	4,751
<i>Item that may not be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation from functional currency to reporting currency	<u>(201,193)</u>	<u>(75,983)</u>	<u>(41,643)</u>	<u>(19,983)</u>	<u>13,125</u>
Other comprehensive (expense)/income for the year/period	<u>(184,662)</u>	<u>(77,861)</u>	<u>(51,526)</u>	<u>(22,484)</u>	<u>17,876</u>
Total comprehensive (expense)/income for the year/period	<u>(1,453,794)</u>	<u>(73,062)</u>	<u>710,082</u>	<u>268,763</u>	<u>469,190</u>
Total comprehensive (expense)/income for the year/period attributable to:					
Owners of the Company	(1,518,790)	(73,062)	710,082	268,763	469,190
Non-controlling interests	64,996	—	—	—	—
	<u>(1,453,794)</u>	<u>(73,062)</u>	<u>710,082</u>	<u>268,763</u>	<u>469,190</u>
Total comprehensive (expense)/income for the year/period attributable to the owners of the Company:					
From continuing operations	(1,568,760)	(73,062)	710,082	268,763	469,190
From discontinued operations	49,970	—	—	—	—
	<u>(1,518,790)</u>	<u>(73,062)</u>	<u>710,082</u>	<u>268,763</u>	<u>469,190</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As of December 31,			As of June 30,
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Property and equipment	18	7,693	5,691	8,135	11,652
Right-of-use assets	19	11,009	7,586	4,934	10,224
Goodwill	20	417,834	417,834	417,834	417,834
Other intangible assets	21	42,059	34,909	27,680	24,091
Financial assets at fair value through profit or loss (“FVTPL”)	22	791,212	712,854	553,554	527,391
Deferred tax assets	11	—	26,735	84,112	97,685
Prepayments, other receivables and other assets	23	1,095	3,401	4,779	12,388
Total non-current assets		1,270,902	1,209,010	1,101,028	1,101,265
Current assets					
Inventories	24	606,993	510,507	896,856	1,249,681
Trade and note receivables	25	45,454	73,025	109,638	117,996
Prepayments, other receivables and other assets	23	6,370,945	1,233,783	2,167,632	1,131,378
Term deposits	26.1	—	3,552,446	2,000,741	6,101,779
Restricted cash	26.2	—	14,270	9,043	11,091
Cash and cash equivalents	26.3	12,344	5,488,742	8,372,098	4,559,678
Total current assets		7,035,736	10,872,773	13,556,008	13,171,603
Total assets		8,306,638	12,081,783	14,657,036	14,272,868
Equity					
Share capital	27	6	7	7	7
Reserves		1,692,373	2,124,865	2,243,678	2,307,034
Accumulated losses		(2,441,767)	(2,467,362)	(1,756,694)	(1,305,380)
Total equity		(749,388)	(342,490)	486,991	1,001,661
Liabilities					
Non-current liabilities					
Lease liabilities	19	6,356	2,609	1,039	5,076
Deferred tax liabilities	11	10,023	8,354	6,685	5,850
Total non-current liabilities		16,379	10,963	7,724	10,926
Current liabilities					
Trade payables	31	2,389,722	3,791,638	5,109,000	4,493,637
Contract liabilities	6	353,842	228,493	238,343	207,448
Accrued expenses and other payables	32	619,213	796,932	1,008,876	857,964
Lease liabilities	19	5,201	5,494	1,119	3,158
Income tax payables		49,855	86,855	141,230	61,617
Convertible preferred shares	33	5,621,814	7,503,898	7,663,753	7,636,457
Total current liabilities		9,039,647	12,413,310	14,162,321	13,260,281
Total liabilities		9,056,026	12,424,273	14,170,045	13,271,207
Total equity and liabilities		8,306,638	12,081,783	14,657,036	14,272,868

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As of December 31,			As of June 30,
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current asset					
Investments in subsidiaries	39	—	151,932	328,318	423,934
Total non-current asset		—	151,932	328,318	423,934
Current assets					
Prepayments, other receivables and other assets . . .	23	4,857,483	2,825,985	2,865,039	2,929,110
Term deposits	26.1	—	3,552,446	—	3,600,406
Cash and cash equivalents	26.3	1,765	391,086	4,165,539	579,991
Total current assets		4,859,248	6,769,517	7,030,578	7,109,507
Total assets		<u>4,859,248</u>	<u>6,921,449</u>	<u>7,358,896</u>	<u>7,533,441</u>
Equity					
Share capital	27	6	7	7	7
Reserves	28	1,700,973	1,989,863	2,106,239	2,210,455
Accumulated losses		(2,465,896)	(2,606,622)	(2,445,199)	(2,344,051)
Total equity		<u>(764,917)</u>	<u>(616,752)</u>	<u>(338,953)</u>	<u>(133,589)</u>
Liabilities					
Current liabilities					
Convertible preferred shares	33	5,621,814	7,503,898	7,663,753	7,636,457
Accrued expenses and other payables		2,351	34,303	34,096	30,573
Total current liabilities		5,624,165	7,538,201	7,697,849	7,667,030
Total liabilities		<u>5,624,165</u>	<u>7,538,201</u>	<u>7,697,849</u>	<u>7,667,030</u>
Total equity and liabilities		4,859,248	6,921,449	7,358,896	7,533,441

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Company					Non-controlling interests	Total	
		Share capital	Share premium	Contribution reserve	Other reserves**	Accumulated losses			
		Notes							Sub-total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As of January 1, 2022		6	255,529	550,828	863,975	(1,084,018)	586,320	310,396	896,716
(Loss)/profit for the year		—	—	—	—	(1,334,128)	(1,334,128)	64,996	(1,269,132)
Other comprehensive expense for the year		—	—	—	(184,662)	—	(184,662)	—	(184,662)
Total comprehensive (expense)/income for the year		—	—	—	(184,662)	(1,334,128)	(1,518,790)	64,996	(1,453,794)
Share-based payment expenses		29	—	—	183,113	—	183,113	—	183,113
Capital injection from non-controlling interest		—	—	—	—	—	—	750	750
Disposal of a subsidiary		36	—	—	(31)	—	(31)	(376,142)	(376,173)
Appropriations to statutory reserves		—	—	—	23,621	(23,621)	—	—	—
As of December 31, 2022		6	255,529	550,828	886,016	(2,441,767)	(749,388)	—	(749,388)
Profit for the year		—	—	—	—	4,799	4,799	—	4,799
Other comprehensive expense for the year		—	—	—	(77,861)	—	(77,861)	—	(77,861)
Total comprehensive (expense)/income for the year		—	—	—	(77,861)	4,799	(73,062)	—	(73,062)
Issuance of ordinary shares by the Company		27	1	—	—	—	1	—	1
Repurchase and cancellation of ordinary shares by the Company***		—*	(68,771)	—	—	—	(68,771)	—	(68,771)
Share-based payment expenses and surplus of tax effects		29	—	—	298,169	—	298,169	—	298,169
Exercise of share options and issuance of ordinary shares for vested restricted share unites (“RSUs”)		—*	1,001,673	—	(751,112)	—	250,561	—	250,561
Appropriations to statutory reserves		—	—	—	30,394	(30,394)	—	—	—
As of December 31, 2023		7	1,188,431	550,828	385,606	(2,467,362)	(342,490)	—	(342,490)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—continued

	Note	Attributable to owners of the Company						Non-controlling interests	Total
		Share capital	Share premium	Contribution reserve	Other reserves**	Accumulated losses	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2024		7	1,188,431	550,828	385,606	(2,467,362)	(342,490)	—	(342,490)
Profit for the year		—	—	—	—	761,608	761,608	—	761,608
Other comprehensive expense for the year		—	—	—	(51,526)	—	(51,526)	—	(51,526)
Total comprehensive (expense)/income for the year		—	—	—	(51,526)	761,608	710,082	—	710,082
Share-based payment expenses and surplus of tax effects	29	—	—	—	127,285	—	127,285	—	127,285
Repurchase of exercisable share options		—	—	—	(7,886)	—	(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	—	486,991
Profit for the period		—	—	—	—	451,314	451,314	—	451,314
Other comprehensive income for the period		—	—	—	17,876	—	17,876	—	17,876
Total comprehensive income for the period		—	—	—	17,876	451,314	469,190	—	469,190
Share-based payment expenses and surplus of tax effects	29	—	—	—	51,446	—	51,446	—	51,446
Repurchase of exercisable share options		—	—	—	(5,966)	—	(5,966)	—	(5,966)
As of June 30, 2025		7	1,188,431	550,828	567,775	(1,305,380)	1,001,661	—	1,001,661
As of January 1, 2024 (audited)		7	1,188,431	550,828	385,606	(2,467,362)	(342,490)	—	(342,490)
Profit for the period		—	—	—	—	291,247	291,247	—	291,247
Other comprehensive expense for the period		—	—	—	(22,484)	—	(22,484)	—	(22,484)
Total comprehensive (expense)/income for the period		—	—	—	(22,484)	291,247	268,763	—	268,763
Share-based payment expenses and surplus of tax effects	29	—	—	—	82,024	—	82,024	—	82,024
Repurchase of exercisable share options		—	—	—	(4,557)	—	(4,557)	—	(4,557)
As of June 30, 2024 (unaudited)		7	1,188,431	550,828	440,589	(2,176,115)	3,740	—	3,740

* Less than RMB1,000.

** Other reserves consist of statutory reserves, share-based payment reserve from the deemed contribution of JD.com, Inc. and granting of share awards under the Company's share award scheme and exchange differences on foreign currency translation recognized in other comprehensive income/(expense).

*** In March 2023, the Company repurchased 5,762,360 ordinary shares held by Suzhou Yan Ji Network Technology Co., Ltd. for an aggregated cash consideration of approximately United States dollars ("USD") 10 million (equivalent to RMB68,771,000). In August 2023, the Company canceled the repurchased ordinary shares and formed authorized but unissued share capital of the Company.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Prior to the completion of the Spin-off, as detailed in Note 1.2, the Listing Business (as defined in Note 1.1) were carried out by the Mainland China Operating Entities (as defined in Note 1.2) and certain subsidiaries and consolidated affiliated entities of JD Group other than the Mainland China Operating Entities. No separate bank accounts were maintained by the Remaining Listing Business (as defined in Note 1.2). The treasury and cash disbursement functions of the Remaining Listing Business were centrally administrated under JD Group. The net cash flows generated by the Remaining Listing Business were kept in the bank accounts of JD Group. After the Closing Date of Series A Preference Shares financing as set out in Note 1.2, the Group was eligible to receive and retain the profits arising from the Remaining Listing Business accumulated in JD Group since June 10, 2020. Accordingly, the profits and funds generated or utilized by the Remaining Listing Business in JD Group on behalf of the Group since June 10, 2020 were recognized as the amounts due from/to related parties before the completion of the Spin-off.

The Group has completed the Spin-off of the Remaining Listing Business in June 2023, after the completion of the Spin-off, as the Listing Business were carried out by the Mainland China Operating Entities, the treasury and cash disbursement functions were administrated under the Group. The profits and funds generated or utilized by the Remaining Listing Business in JD Group on behalf of the Group since June 10, 2020 and prior to the completion of the Spin-off were settled in cash by JD Group to the Group.

For the purpose of presenting a completed set of financial information of the Group, the following comprises the information of cash inflow/outflow of the Group and cash inflow/outflow of the Remaining Listing Business which was received/paid via JD Group prior to completion of the Spin-off.

	Notes	Year ended December 31,			Six months ended June 30,	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities						
Cash generated from operations	38(a)	2,061,995	1,308,299	1,352,283	60,769	424,584
Income tax paid		(143,668)	(144,617)	(116,828)	(48,068)	(142,096)
Interest paid		(105,190)	(61,058)	(242,791)	(103,040)	(97,619)
Interest received		162,165	276,306	303,740	147,142	107,614
Net cash generated from operating activities		<u>1,975,302</u>	<u>1,378,930</u>	<u>1,296,404</u>	<u>56,803</u>	<u>292,483</u>
Investing activities						
Placement of restricted cash		(9,399)	(14,270)	(12,000)	(12,000)	(2,048)
Withdrawal of restricted cash		—	—	17,312	14,270	—
Purchases of term deposits		—	(3,558,700)	(4,000,000)	(2,000,000)	(6,091,610)
Maturity of term deposits		—	—	5,562,200	1,775,750	2,000,000
Purchases of financial assets at FVTPL		(410,119)	—	—	—	—
Proceeds from disposal of financial assets at FVTPL		367,576	—	—	—	—
Settlement of other payables related to acquisition of subsidiary in prior year		—	(117,461)	—	—	—
Disposal of a subsidiary	36	(70,812)	—	—	—	—
Purchases of property and equipment		(5,106)	(4,858)	(6,361)	(1,876)	(4,712)
Net (advances to)/repayment from JD Group		<u>(4,327,747)</u>	<u>6,342,710</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net cash (used in)/generated from investing activities		<u>(4,455,607)</u>	<u>2,647,421</u>	<u>1,561,151</u>	<u>(223,856)</u>	<u>(4,098,370)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS—continued

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Financing activities					
Principal portion of lease payments	(6,566)	(4,460)	(8,053)	(3,345)	(1,215)
Interest paid	(974)	(428)	(215)	(154)	(47)
Capital injection from non-controlling interest	750	—	—	—	—
Net proceeds from issuance of ordinary shares	—	1	—	—	—
Net proceeds from issuance of convertible preferred shares	—	1,461,576	—	—	—
Payments for repurchase of convertible preferred shares	—	(207,262)	—	—	—
Payments for repurchase of ordinary shares	—	(68,847)	—	—	—
Payments for deferred issuance costs	—	(1,478)	(1,194)	—	(249)
Proceeds from exercise of share options	—	250,561	—	—	—
Payments for repurchase of exercisable share options	—	—	(6,643)	(2,329)	(3,224)
Net cash (used in)/generated from financing activities	(6,790)	1,429,663	(16,105)	(5,828)	(4,735)
Net (decrease)/increase in cash and cash equivalents	(2,487,095)	5,456,014	2,841,450	(172,881)	(3,810,622)
Cash and cash equivalents at the beginning of the year/period	2,440,609	12,344	5,488,742	5,488,742	8,372,098
Effects of foreign exchange rate changes on cash and cash equivalents	58,830	20,384	41,906	9,545	(1,798)
Cash and cash equivalents at the end of the year/period	12,344	5,488,742	8,372,098	5,325,406	4,559,678

NOTES TO THE HISTORICAL FINANCIAL INFORMATION**1. General information, history, reorganization and basis of preparation and presentation of the Historical Financial Information****1.1 General information**

The Company, formerly known as JD Industrial Technology Inc., was incorporated in the Cayman Islands in November 2019 as an exempted company registered under the laws of the Cayman Islands. 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 (collectively the “Listing Business”). The Group’s principal operations and geographic markets are in the People’s Republic of China (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”.

1.2 History, reorganization and basis of preparation and presentation of the Historical Financial Information

In November 2019, the Company was incorporated in the Cayman Islands by JD Industrial Technology Limited.

In December 2019, JD Industrial Technology (HK) Limited (“JD Industry HK”) was incorporated in Hong Kong and 1 share was allotted to and subscribed by the Company. Since then, JD Industry HK is wholly owned by the Company.

In March 2020, Suqian JINGDONG Baoying Information Technology Co., Ltd. (“Suqian JINGDONG Baoying”) was incorporated in the PRC as a wholly foreign-owned subsidiary of JD Industry HK.

In December 2020, Dongguan JINGDONG Industrial Product Trading Limited (“Dongguan JINGDONG Industry”) was incorporated in the PRC as a wholly foreign-owned subsidiary of JD Industry HK.

In January 2021, Beijing JINGDONG Digital Intelligence Industrial Technology Co., Ltd. (“Beijing JINGDONG Industrial”) was incorporated in the PRC as a wholly foreign-owned subsidiary of JD Industry HK.

Suqian JINGDONG Baoying, Dongguan JINGDONG Industry, Beijing JINGDONG Industrial and their subsidiaries and consolidated affiliated entities are collectively referred to as the “Mainland China Operating Entities”.

To facilitate the listing of the Listing Business on the Stock Exchange, JD Group underwent a spin-off (the “Spin-off”) which includes i) transfer of the Remaining Listing Business (the portion of the Listing Business carried out by JD Group is referred to as the “Remaining Listing Business”) and ii) a reorganization (the “Reorganization”), which principally involved the following:

In March 2019, Jiangsu Jucheng Space Technology Co., Ltd. (“Jiangsu Jucheng Space”) was incorporated in the PRC by three of JD Group’s management members (“Nominee Shareholders”). In

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**1. General information, history, reorganization and basis of preparation and presentation of the Historical Financial Information—continued****1.2 History, reorganization and basis of preparation and presentation of the Historical Financial Information—continued**

May 2020, Suqian JINGDONG Baoying, Jiangsu Jucheng Space and its Nominee Shareholders entered into a series of agreements, which enables Suqian JINGDONG Baoying to obtain control over Jiangsu Jucheng Space and its subsidiaries. See the section headed “Contractual Arrangements” below for further details.

In September 2021, all the equity interests of Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京東電解智科技有限公司) (“Beijing JINGDONG Electrolysis”) were transferred from Jiangsu JINGDONG Bangneng Investment Management Co., Ltd. to Beijing JINGDONG Industrial. Upon completion of the transfer, Beijing JINGDONG Electrolysis became a subsidiary of Beijing JINGDONG Industrial.

The acquisition of Jiangsu Jucheng Space and Beijing JINGDONG Electrolysis were accounted for as business combinations involving entities under common control using the principle of merger accounting as the acquirees and the Group were under the common control of JD Group.

In April 2020, the Company entered into a subscription agreement for the Series A preference shares (the “Series A Preference Shares”) financing with certain third-party investors (the “Series A Share Subscription Agreement”), details are set out in Note 33. Based on the terms stipulated in the Series A Share Subscription Agreement, pricing policies of certain related party transactions between JD Group/related parties of JD Group and the Group were established and became effective since June 10, 2020 (the “Closing Date”), which include logistics and warehousing services, technology and traffic support services, marketing services, loyalty program services, payment services, shared services and others.

In February 2023, the Company issued 246,166,972 ordinary shares to JD Industrial Technology Limited as a result of valuation adjustment agreed with the Series A Preference Shares investors mainly due to adjustments of the Spin-off scope. The adjustments of the Spin-off scope are treated as if it had been completed at the beginning of the Track Record Period.

Before the completion of Spin-off, to the extent the assets, liabilities, income and expenses that are specifically identified to the Remaining Listing Business, such items are included in the Historical Financial Information. To the extent the assets, liabilities, income and expenses that are impracticable to be identified specifically, these items are allocated to the Remaining Listing Business on certain basis (such items include fulfillment expenses, selling and marketing expenses, research and development expenses, general and administrative expenses and income tax expense). In particular, the income or expenses related to the Remaining Listing Business that were generated from/charge by JD Group on behalf of the Group were included in the Historical Financial Information in accordance with the term of related party transactions listed out in the Series A Share Subscription Agreement, and relevant trade receivables and payables were recognized as amounts due from/to related parties. The directors of the Company believe that the method of the allocation and the recognition of the above expense items form a reasonable basis of presenting the operating results of the Remaining Listing Business on a stand-alone basis. Items that do not meet the criteria above are not included in the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**1. General information, history, reorganization and basis of preparation and presentation of the Historical Financial Information—continued****1.2 History, reorganization and basis of preparation and presentation of the Historical Financial Information—continued**

The Group has completed the Spin-off of the Remaining Listing Business in June 2023, which included the transfer of relevant management and employees, operating assets and liabilities, retained profits, as well as the replacement of the business contracts of counter parties (to the extent possible) to the Group. Upon the completion of the Spin-off, the entire Listing Business became operated and controlled by the Group.

The Spin-off is merely the recapitalization of the Listing Business with no change in management of such business and its ultimate owners. The Group resulting from the Spin-off is regarded as a continuation of the Listing Business under JD Group. Prior to the completion of the Spin-off, the Historical Financial Information has been prepared and presented on the basis as if the Company had always been the holding company of the Listing Business and using the carrying value of the Listing Business for all periods presented as if the Spin-off had been completed since the beginning of the Track Record Period.

The consolidated statements of profit or loss, consolidated statements of comprehensive income/(expense), consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the Track Record Period include the results, changes in equity and cash flows of the Listing Business as if the current group structure had been in existence prior to January 1, 2022 and the Listing Business had been operated by the Group throughout the Track Record Period, or since their respective dates of incorporation, where there is a shorter period.

The consolidated statements of financial position of the Group as of December 31, 2022 have been prepared to present the assets and liabilities (excluding financial assets and liabilities attributable to JD Group) of the Listing Business at the carrying amounts shown in the financial statements of the relevant entities, as if the current group structure had been in existence and the Listing Business had been operated by the Group at those dates taking into account their respective dates of incorporation.

In March 2023, the Company entered into Series B share subscription agreement for the Series B preference shares (the “Series B Preference Shares”) with a group of third-party investors (the “Series B Share Subscription Agreement”).

In March 2023, the Company entered into share repurchase agreements with certain ordinary shareholder and Series Pre-A Preference Shares investors, pursuant to which, the Company agreed to repurchase 5,762,360 ordinary shares for an aggregated cash consideration of approximately USD10 million and 17,337,607 Series Pre-A Preference Shares at an aggregate cash consideration of approximately USD30 million. In August 2023, the Company canceled the repurchased ordinary shares.

No financial statements have been prepared for the Company since the Company is incorporated in a jurisdiction where there is no statutory audit requirement.

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 entered into a series of contractual arrangements (collectively,

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**1. General information, history, reorganization and basis of preparation and presentation of the Historical Financial Information—continued****1.2 History, reorganization and basis of preparation and presentation of the Historical Financial Information—continued*****Contractual Arrangements—continued***

the “Contractual Arrangements”) with Jiangsu Jucheng Space and its 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;
- 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 RMB720,977,000, RMB505,153,000, RMB314,736,000 and RMB274,357,000 as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively, and these balances have been reflected in the Group’s Historical Financial Information with intercompany balances and transactions between 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, RMB1,023,085,000, RMB1,014,185,000, RMB1,254,266,000, RMB465,407,000 (unaudited) and RMB824,668,000 for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, and these amounts have been reflected in the Group’s Historical Financial Information with intercompany balances and transactions between 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

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with the

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**2. Application of new and amendments to IFRS Accounting Standards—continued**

IFRS Accounting Standards, amendments to IFRS Accounting Standards and the related interpretations issued by the IASB, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

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

New standards and amendments to existing standards that have been issued but not yet effective for the Track Record Period and not been early adopted by the Group during the Track Record Period are as follows:

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

The application of IFRS 18 is not expected to have significant impact on the financial positions or performance of the Group but may affect the presentations and disclosures of the Group's consolidated financial statements. The Group is in the process of making a detailed assessment of the impact of IFRS 18. Except for the IFRS 18, the Group anticipates that the application of new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. Basis of preparation of Historical Financial Information and material accounting policy information

The Historical Financial Information has been prepared in accordance with accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes 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 Historical Financial Information incorporates 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;

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.1 Basis of consolidation—continued**

- 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 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;
- 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 statements 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.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.2 Merger accounting for business combination involving business under common control**

The Historical Financial Information incorporates the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognized in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets and liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

Expenditure incurred in relation to a common control combination that is to be accounted for by using merger accounting is recognized as an expense in the period in which it is incurred.

The consolidated statements of profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

3.3 Business combinations***Business combinations***

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognized.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.3 Business combinations—continued**

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in IFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

3.4 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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.4 Goodwill—continued**

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).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

3.5 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 and JD Group's website. Payment for the purchased products or services is generally made either before delivery or after delivery.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. Basis of preparation of Historical Financial Information and material accounting policy information—continued**3.5 Revenue from contracts with customers—continued**

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.

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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.5 Revenue from contracts with customers—continued*****Sale with a right of return/exchange***

For a sale of products with a right of return/exchange 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/exchanged);
- (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.

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 and JD Group's 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 website 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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.5 Revenue from contracts with customers—continued**

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.

3.6 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 statements of profit or loss.

3.7 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 warehouses and physical stores.

3.8 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.

3.9 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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.9 Research and development expenses—continued**

(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, 2022, 2023 and 2024 and June 30, 2025.

3.10 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 are not reclassified to profit or loss subsequently.

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity ("foreign currencies") are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of other reserve (attributed to non-controlling interests as appropriate).

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. Basis of preparation of Historical Financial Information and material accounting policy information—continued**3.11 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 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.

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.

3.12 Share-based payments

Share-based awards to the Group's employees and non-employees are granted under a share incentive plan of JD Group (the "JD Group Share Incentive Plan"). The Historical Financial Information includes 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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

3. Basis of preparation of Historical Financial Information and material accounting policy information—continued**3.12 Share-based payments—continued**

In 2021, the Group launched the share incentive plan (the “JD Industrials Share Incentive Plan”). Under the JD Industrials Share Incentive Plan, 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 statements 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.

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 capital and 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 capital and 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 service. The fair values of the goods or services received are recognized as expenses (unless the goods or services qualify for recognition as assets).

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.12 Share-based payments—continued****Modifications to equity-settled transactions**

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period. The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

3.13 Taxation

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

The current tax is based on taxable profit for the year/period. Taxable profit differs from (loss)/profit before income tax because of income or expense that is taxable or deductible in other years/period and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.13 Taxation—continued**

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

3.14 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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.14 Property and equipment—continued**

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.

3.15 Financial instruments

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

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.

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***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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.15 Financial instruments—continued**

Financial assets 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.

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 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 both the current conditions at the reporting date as well as the forecast of future conditions.

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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.15 Financial instruments—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.

- 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.

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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.15 Financial instruments—continued***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) 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 forward looking information that is available without undue cost or effort.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.15 Financial instruments—continued**

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;
- 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.

(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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.15 Financial instruments—continued*****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.

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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**3. Basis of preparation of Historical Financial Information and material accounting policy information—continued****3.15 Financial instruments—continued****(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 33.

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.

3.16 Discontinued operations

A discontinued operation is a component of the Group, the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group and which represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs at the date at which the operation is abandoned.

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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**4. Critical accounting judgments and key sources of estimation uncertainty—continued**

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.

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 Historical Financial Information.

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.

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.

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 financial assets

Fair value of financial assets, 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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**4. Critical accounting judgments and key sources of estimation uncertainty—continued**

instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in Note 37.

Estimation of the fair value of the convertible preferred shares

The convertible preferred shares issued by the Company are not traded in an active market and the respective fair value is determined using valuation techniques. The Group applied the discounted 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 the convertible preferred shares. The details of key assumptions and key inputs are included in Note 33.

Provision of ECL for trade receivables

Credit-impaired trade receivables are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information including forecast of gross domestic product ratio, forecast of consumer price index and other relevant factors are considered. The provision of ECL is sensitive to changes in estimates.

Impairment review of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value-in-use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

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 Track Record Period, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

6. Revenue

(a) Disaggregation of revenue from contracts with customers:

Continuing operations

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<i>Types of goods or services:</i>					
Sales of products	12,935,479	16,120,101	19,169,998	8,070,006	9,581,953
Marketplace, advertising and other services	1,199,216	1,215,782	1,227,743	550,035	668,435
Total	<u>14,134,695</u>	<u>17,335,883</u>	<u>20,397,741</u>	<u>8,620,041</u>	<u>10,250,388</u>
<i>Timing of revenue recognition:</i>					
A point in time	13,921,593	17,250,025	20,310,828	8,597,763	10,200,340
Over time	213,102	85,858	86,913	22,278	50,048
Total	<u>14,134,695</u>	<u>17,335,883</u>	<u>20,397,741</u>	<u>8,620,041</u>	<u>10,250,388</u>

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 advances 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,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>353,842</u>	<u>228,493</u>	<u>238,343</u>	<u>207,448</u>

As of January 1, 2022, contract liabilities amounted to RMB384 million.

The directors of the Company expect that majority of the contract liabilities as of June 30, 2025 will be recognized as revenue within one year.

(c) Revenue recognized in relation to contract liabilities

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

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>383,698</u>	<u>353,842</u>	<u>183,086</u>	<u>200,753</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

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

Continuing operations

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Government grants	3,156	39,678	84,799	84,655	90,948
Gain on repurchase of convertible preferred shares (Note 33)	—	77,715	—	—	—
Loss on redesignation of convertible preferred shares (Note 33)	—	(45,251)	—	—	—
Fair value changes of equity investments in unlisted entities measured as financial assets at FVTPL (Note 37.4)	(46,126)	(78,358)	(159,300)	(134,799)	(26,163)
Others	6,457	9,787	49,274	12,044	28,519
Total	<u>(36,513)</u>	<u>3,571</u>	<u>(25,227)</u>	<u>(38,100)</u>	<u>93,304</u>

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 during the Track Record Period.

8. Finance income

Continuing operations

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income from JD Group (Note 34)	152,521	111,622	—	—	—
Interest income from term deposits and bank balances	6,038	175,779	293,277	160,266	129,426
Total	<u>158,559</u>	<u>287,401</u>	<u>293,277</u>	<u>160,266</u>	<u>129,426</u>

9. Finance costs

Continuing operations

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Factoring expense to Jingdong Technology Holding Co., Ltd. and its subsidiaries ("JD Technology") (Note 34)	105,189	138,840	192,967	74,862	90,258
Interest expense on lease liabilities	371	428	215	154	47
Total	<u>105,560</u>	<u>139,268</u>	<u>193,182</u>	<u>75,016</u>	<u>90,305</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

10. Impairment losses under ECL model, net of reversal

Continuing operations

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Impairment losses recognized, net of reversal, on:					
—trade receivables	474	4,182	3,778	6,594	493
—other receivables	(57)	—	—	—	1,495
Total	<u>417</u>	<u>4,182</u>	<u>3,778</u>	<u>6,594</u>	<u>1,988</u>

Details of impairment assessment are set out in Note 37.2.

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.

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong dollars (“HKD”)2 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.

Mainland China

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. Suzhou Gongpinhui Software Technology Co., Ltd. (“Gongpinhui Software”) was qualified as a HNTE on December 2, 2020, which was entitled to a preferential tax rate of 15% from 2020 to 2023, Gongpinhui Software has re-applied

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**11. Income tax expense—continued**

its HNTE status in 2023 and was entitled to a preferential tax rate of 15% from 2023 to 2026. Beijing JINGDONG Electrolysis was qualified as a HNTE in 2021, which was entitled to a preferential tax rate of 15% from 2021 to 2024 and renewed in December 2024 with a valid period of three years. Hence, JINGDONG Electrolysis is eligible for the preferential tax rate of 15% from 2024 to 2027. During the subsequent years, the tax authority will make reassessment on the Group's HNTE status.

Certain enterprises 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. Beihai JINGDONG Industrial Technology Co., Ltd. ("Beihai JINGDONG Industrial") and Guangxi JINGDONG Yangqi E-commerce Co., Ltd. ("Guangxi Yangqi") are qualified as the enterprise within the Catalog of Encouraged Industries in Western Regions and enjoyed 15% preferential income tax rate.

The State Taxation Administration of the PRC ("STA") announced in September 2018 that enterprises engaging in research and development activities would be entitled to claim 175% of their research and development expenses as Super Deduction from January 1, 2018 to December 31, 2020, which was announced in March 2021 to be further extended to December 31, 2023. Based on the announcements made by STA in September 2022 and March 2023, such enterprises would be entitled to claim 200% of their research and development expenses incurred since October 1, 2022.

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 Mainland China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within Mainland China or if the received dividends have no connection with the establishment or place of such immediate holding company within Mainland China, 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 Mainland China 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 Mainland China 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 during the Track Record Period. Therefore, the Company has not recorded any withholding tax on any profits generated by subsidiaries located in Mainland China.

Global Anti-base Erosion Rules ("GloBE Rules" or "Pillar Two Rules")

For the year ended December 31, 2024 and the six months ended June 30, 2025, the Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group could take advantage of the Transitional Country-by-Country Reporting Safe Harbor, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

11. Income tax expense—continued

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

Continuing operations

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current income tax:					
PRC EIT	195,475	183,108	177,997	99,349	74,301
Deferred income tax	(3,741)	(27,549)	(57,002)	(12,542)	(13,553)
Total	<u>191,734</u>	<u>155,559</u>	<u>120,995</u>	<u>86,807</u>	<u>60,748</u>

The income tax expense for the years/periods can be reconciled to the (loss)/profit before income tax per the consolidated statements of profit or loss as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/profit before income tax	(1,192,364)	160,358	882,603	378,054	512,062
Tax calculated at PRC statutory income tax rate of 25%	(298,091)	40,090	220,651	94,514	128,016
Tax effects of:					
—Expenses that are not deductible in determining taxable profit	495	5,742	2,117	1,849	789
—Super Deduction for research and development expenses and others	(36,251)	(26,185)	(17,050)	(12,993)	(8,868)
—Utilization of tax losses/deductible temporary differences previously not recognized	(41,109)	(22,341)	(15,685)	(13,374)	(21,256)
—Different tax rates available to different jurisdictions	(902)	26	335	(16)	1,107
—Tax effect of tax-exempt entities	486,583	108,670	(41,490)	(25,996)	(11,563)
—Preferential income tax rates applicable to subsidiaries and consolidated affiliated entities	(13,084)	(24,199)	(39,793)	(28,578)	(42,493)
—Tax losses/deductible temporary differences not recognized, net of recognition of deferred income tax assets previously unrecognized	<u>94,093</u>	<u>73,756</u>	<u>11,910</u>	<u>71,401</u>	<u>15,016</u>
Total income tax expense	<u>191,734</u>	<u>155,559</u>	<u>120,995</u>	<u>86,807</u>	<u>60,748</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

11. Income tax expense—continued

Deferred tax

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

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets	—	26,735	84,112	97,685
Deferred tax liabilities	(10,023)	(8,354)	(6,685)	(5,850)
	<u>(10,023)</u>	<u>18,381</u>	<u>77,427</u>	<u>91,835</u>

The following is the deferred tax assets and liabilities recognized and movements thereon during the Track Record Period:

	Other intangible assets acquired in business combinations	Share-based payments	Tax losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2022	(21,182)	—	—	(21,182)
Credited to profit or loss	3,741	—	—	3,741
Disposal of a subsidiary	7,418	—	—	7,418
As of December 31, 2022	(10,023)	—	—	(10,023)
Credited to profit or loss	1,669	25,880	—	27,549
Credit to other reserves	—	855	—	855
As of December 31, 2023	(8,354)	26,735	—	18,381
Credited 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
Credited/(charged) to profit or loss	835	13,861	(1,143)	13,553
Credit to other reserves	—	855	—	855
As of June 30, 2025	<u>(5,850)</u>	<u>75,984</u>	<u>21,701</u>	<u>91,835</u>

Deferred tax assets have not been recognized in respect of the following items:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Tax losses	767,539	625,605	308,094	194,924
Deductible temporary differences	152,574	488,092	681,948	644,858
	<u>920,113</u>	<u>1,113,697</u>	<u>990,042</u>	<u>839,782</u>

Due to the unpredictability of future profit streams, no deferred tax assets had been recognized for these unused tax losses and deductible temporary differences.

As of June 30, 2025, these unrecognized tax losses 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; December 31, 2023: the period from 2024 to 2028; December 31, 2022: the period from 2023 to 2027), 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; December 31, 2023: the period from 2024 to 2033; December 31, 2022: the period from 2023 to 2032).

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

12. Discontinued operations

On September 30, 2022, the Group terminated the deed of voting proxy and power of attorney and lost control of ICMALL Ltd. (“ICMALL”), which engaged primarily in sales of electronic components. The Group deconsolidated ICMALL since September 30, 2022 (Note 36). On the same time, the Company resumed its preferential right of the preference shares held by the Company.

Results of discontinued operations were accounted for as a separate line item as “Profit for the year from discontinued operations” in the consolidated statements of profit or loss and comprehensive income/(expense). Assets and liabilities of continuing and discontinued operations are presented in the consolidated statements of financial position on a consolidated basis. Cash flow of continuing and discontinued operations are presented in the consolidated statements of cash flows on a consolidated basis.

The profit for the period from discontinued operations is set out below.

	From January 1, 2022 to September 30, 2022
	RMB'000
Profit of ICMALL for the period	164,775
Gain on disposal of discontinued operations (Note 36)	204,469
Impairment loss recognized in goodwill	(254,278)
Total	<u>114,966</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

12. Discontinued operations—continued

The results of the discontinued operations up to September 30, 2022, which have been included in the consolidated statements of profit or loss, were as follows:

	From January 1, 2022 to September 30, 2022
	RMB'000
Revenue	2,461,335
Cost of revenue	(2,341,272)
Fulfillment expenses	(63,356)
Selling and marketing expenses	(10,158)
Research and development expenses	(12,171)
General and administrative expenses	(11,334)
Other loss, net	(7,617)
Finance income	3,605
Finance costs	(603)
Fair value changes of convertible preferred shares*	158,867
Impairment losses under ECL model, net of reversal	(12,249)
Profit before income tax	165,047
Income tax expense	(272)
Profit for the period from discontinued operations	164,775

* ICMALL recognized net fair value gains of RMB159 million on its convertible preferred shares for the period ended September 30, 2022. As of September 30, 2022, the fair value of its convertible preferred shares issued by ICMALL was RMB445.6 million. The Company applied the discount cash flow method to determine the underlying equity value of ICMALL and adopted option-pricing method and equity allocation model to determine the fair value of convertible preferred shares as September 30, 2022. As of September 30, 2022, the discount rate, risk free rate and volatility set as the key assumptions which were 15%, 2% and 47%, respectively.

(Loss)/profit for the period from discontinued operations has been arrived at after charging the following items:

	From January 1, 2022 to September 30, 2022
	RMB'000
Cost of inventories sold	(2,341,272)
Employee benefit expenses	(67,814)
Depreciation of property and equipment and right-of-use assets and amortization of intangible assets	(19,511)
	From January 1, 2022 to September 30, 2022
	RMB'000
Cash flows from discontinued operations	
Net cash inflows from operating activities	86,866
Net cash outflows from investing activities	(53,001)
Net cash outflows from financing activities	(4,266)

The carrying amounts of the assets and liabilities of ICMALL at the date of disposal are disclosed in Note 36.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

13. (Loss)/profit before income tax from continuing operations

(Loss)/profit before income tax from continuing operations has been arrived at after charging:

Continuing operations

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of inventories sold	11,508,520	14,500,399	17,012,040	7,145,160	8,305,067
Expenses of logistics and warehousing services*	279,994	365,053	526,223	213,113	418,150
Expenses of technology and traffic support services allocated/charged by JD Group* . . .	385,726	445,070	485,614	216,960	239,115
Expenses related to other support services* . . .	9,812	5,425	3,157	1,476	1,002
Expenses of payment services*	102,584	123,983	74,744	47,113	28,228
Promotion and advertising expenses	106,133	105,201	110,238	44,684	57,279
Employee benefit expenses (Note 14)	807,319	959,634	1,010,127	480,935	630,827
Depreciation of property and equipment and right-of-use assets and amortization of intangible assets	16,320	16,814	16,298	7,814	8,819
Auditor's remuneration	1,870	853	349	156	196
Listing expenses	—	43,662	7,167	—	2,901

* Primarily consisted of the service costs allocated/charged by JD Group.

14. Employee benefit expenses

Continuing operations

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and bonuses	496,915	523,649	706,599	321,845	467,748
Share-based payment expenses (Note 29)	183,113	297,314	125,241	80,723	50,591
Welfare, medical and other benefits	127,291	138,671	178,287	78,367	112,488
Total	<u>807,319</u>	<u>959,634</u>	<u>1,010,127</u>	<u>480,935</u>	<u>630,827</u>

The employee benefit expenses include the remuneration of directors and the CEO during the Track Record Period.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. Directors' and the CEO's emoluments

Directors' and the CEO's remuneration for the Track Record Period, 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:

For the year ended December 31, 2022						
<u>Names</u>	<u>Salaries and other emoluments</u>	<u>Bonuses</u>	<u>Share-based compensation expenses</u>	<u>Pension costs-defined contribution plans</u>	<u>Welfare, medical and other benefits</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<i>Executive director and CEO:</i>						
Chunzheng Song ¹	1,729	466	13,341	58	118	15,712
<i>Non-executive directors:</i>						
Bingdong Xu ²	—	—	—	—	—	—
Lei Xu ³	—	—	795	—	—	795
Richard Qiangdong Liu ⁴	—	—	—	—	—	—
Sandy Ran Xu ⁵	—	—	—	—	—	—
	<u>1,729</u>	<u>466</u>	<u>14,136</u>	<u>58</u>	<u>118</u>	<u>16,507</u>
For the year ended December 31, 2023						
<u>Names</u>	<u>Salaries and other emoluments</u>	<u>Bonuses</u>	<u>Share-based compensation expenses</u>	<u>Pension costs-defined contribution plans</u>	<u>Welfare, medical and other benefits</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<i>Executive director and CEO:</i>						
Chunzheng Song ¹	1,444	440	25,585	63	183	27,715
<i>Non-executive directors:</i>						
Bingdong Xu ²	—	—	—	—	—	—
Lei Xu ³	—	—	495	—	—	495
Richard Qiangdong Liu ⁴	—	—	—	—	—	—
Sandy Ran Xu ⁵	—	—	—	—	—	—
NingFeng Hu ⁶	—	—	—	—	—	—
	<u>1,444</u>	<u>440</u>	<u>26,080</u>	<u>63</u>	<u>183</u>	<u>28,210</u>
For the year ended December 31, 2024						
<u>Names</u>	<u>Salaries and other emoluments</u>	<u>Bonuses</u>	<u>Share-based compensation expenses</u>	<u>Pension costs-defined contribution plans</u>	<u>Welfare, medical and other benefits</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<i>Executive director and CEO:</i>						
Chunzheng Song ¹	1,586	656	10,031	83	186	12,542
<i>Non-executive directors:</i>						
Bingdong Xu ²	—	—	—	—	—	—
Richard Qiangdong Liu ⁴	—	—	—	—	—	—
	<u>1,586</u>	<u>656</u>	<u>10,031</u>	<u>83</u>	<u>186</u>	<u>12,542</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. Directors' and the CEO's emoluments—continued

Names	For the six months ended June 30, 2025					
	Salaries and other emoluments	Bonuses	Share-based compensation expenses	Pension costs-defined contribution plans	Welfare, medical and other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director and CEO:</i>						
Chunzheng Song ¹	816	330	2,721	42	102	4,011
<i>Non-executive directors:</i>						
Bingdong Xu ²	—	—	—	—	—	—
Richard Qiangdong Liu ⁴	—	—	—	—	—	—
	<u>816</u>	<u>330</u>	<u>2,721</u>	<u>42</u>	<u>102</u>	<u>4,011</u>
Names	For the six months ended June 30, 2024 (unaudited)					
	Salaries and other emoluments	Bonuses	Share-based compensation contribution expenses	Pension costs-defined plans	Welfare, medical and other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director and CEO:</i>						
Chunzheng Song ¹	784	263	5,836	41	92	7,016
<i>Non-executive directors:</i>						
Bingdong Xu ²	—	—	—	—	—	—
Richard Qiangdong Liu ⁴	—	—	—	—	—	—
	<u>784</u>	<u>263</u>	<u>5,836</u>	<u>41</u>	<u>92</u>	<u>7,016</u>

Notes:

1. Appointed as chief management and executive responsibilities since July 2017, and appointed as executive director since June 2020 and CEO in July 2021.
2. Appointed as non-executive director since June 2020.
3. Appointed as non-executive director since June 2020 and resigned in March 2023.
4. Appointed as non-executive director since October 2021.
5. Appointed as non-executive director since October 2021 and resigned in March 2023.
6. Appointed as non-executive director since March 2023 and resigned in March 2023.

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' remunerations disclosed above were mainly for their services as directors of the Company.

(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 period or at any time during the Track Record Period.

(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 period or at any time during the Track Record Period.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

15. Directors' and the CEO's emoluments—continued**(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 Track Record Period.

(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 period or at any time during the Track Record Period save as disclosed in Notes 1.2 and 34.

16. Five highest paid employees

The five highest paid employees include one director for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, whose remuneration is set out in Note 15 during the Track Record Period. The emoluments payable to the remaining four individuals for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, who are neither a director nor the CEO of the Company, during the Track Record Period, were as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and other emoluments	5,041	5,412	4,085	2,109	3,194
Bonuses	1,373	1,545	1,891	659	1,146
Share-based payment expenses	13,077	43,537	13,924	6,669	11,224
Pension costs-defined contribution plans	221	257	194	103	126
Welfare, medical and other benefits	304	472	656	181	244
Total	<u>20,016</u>	<u>51,223</u>	<u>20,750</u>	<u>9,721</u>	<u>15,934</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

16. Five highest paid employees—continued

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

	Number of individuals				
	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	No. of employees	No. of employees	No. of employees	No. of employees (unaudited)	No. of employees
Emolument bands (in HKD)					
HKD2,000,001 to HKD2,500,000	—	—	—	2	—
HKD2,500,001 to HKD3,000,000	—	—	—	1	—
HKD3,000,001 to HKD3,500,000	—	—	—	1	—
HKD3,500,001 to HKD4,000,000	—	—	—	—	1
HKD4,000,001 to HKD4,500,000	—	—	—	—	2
HKD4,500,001 to HKD5,000,000	2	—	2	—	—
HKD5,000,001 to HKD5,500,000	—	—	—	—	1
HKD5,500,001 to HKD6,000,000	—	—	1	—	—
HKD6,500,001 to HKD7,000,000	1	—	—	—	—
HKD7,000,001 to HKD7,500,000	1	—	—	—	—
HKD7,500,001 to HKD8,000,000	—	—	1	—	—
HKD8,500,001 to HKD9,000,000	—	2	—	—	—
HKD9,000,001 to HKD9,500,000	—	1	—	—	—
HKD30,500,001 to HKD31,000,000	—	1	—	—	—
Total	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

During the Track Record Period, 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. None of the five highest paid employees waived or agreed to waive any emoluments during the Track Record Period.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

17. (Loss)/earnings per share

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<i>Numerator:</i>					
(Loss)/profit for the year/period attributable to owners of the Company for the purpose of calculating basic (loss)/earnings per share	(1,334,128)	4,799	761,608	291,247	451,314
Add: effect of fair value changes of convertible preferred shares	—	—	47,607	9,084	4,495
(Loss)/earnings for the purpose of diluted (loss)/earnings per share	<u>(1,334,128)</u>	<u>4,799</u>	<u>809,215</u>	<u>300,331</u>	<u>455,809</u>
	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
<i>Denominator:</i>					
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	1,685,627,712	1,967,532,966	2,036,693,980	2,036,693,980	2,036,693,980
Add: effect of dilutive potential ordinary share:					
options granted	—	9,760,474	22,319,420	19,445,116	28,705,562
convertible preferred shares	—	—	429,247,881	429,247,881	429,247,881
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<u>1,685,627,712</u>	<u>1,977,293,440</u>	<u>2,488,261,281</u>	<u>2,485,386,977</u>	<u>2,494,647,423</u>
Basic (loss)/earnings per share attributable to owners of the Company (RMB per share)	(0.79)	—*	0.37	0.14	0.22
Diluted (loss)/earnings per share attributable to owners of the Company (RMB per share)	(0.79)	—*	0.33	0.12	0.18

* Less than RMB0.01

As the Group incurred losses for the year ended December 31, 2022, the potential ordinary shares were excluded in the calculation of the diluted loss per share as their effect would result in a decrease in loss per share, which is anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2022 was the same as basic loss per share of the year. For the year ended December 31, 2023, the share options granted by the Company have potential dilutive effect on the

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

17. (Loss)/earnings per share—continued

earnings per share, for the year ended December 31, 2024 and the six months ended June 30, 2024 and 2025, the share options granted by the Company and convertible preferred shares have potential dilutive effect on the earnings per share.

18. Property and equipment

	Note	Electronic equipment RMB'000	Leasehold improvement RMB'000	Others RMB'000	Product line RMB'000	Total RMB'000
Cost						
As of January 1, 2022		13,084	7,939	2,118	14,757	37,898
Additions		4,242	648	538	235	5,663
Disposal of subsidiary	36	(2,267)	(4,196)	(1,516)	(14,992)	(22,971)
Disposals		(2,837)	—	(4)	—	(2,841)
As of December 31, 2022		12,222	4,391	1,136	—	17,749
Additions		3,597	249	351	—	4,197
Disposals		(2,660)	—	(179)	—	(2,839)
As of December 31, 2023		13,159	4,640	1,308	—	19,107
Additions		5,426	1,279	121	—	6,826
Disposals		(3,094)	(291)	—	—	(3,385)
As of December 31, 2024		15,491	5,628	1,429	—	22,548
Additions		5,156	1,677	587	—	7,420
Disposals		(2,815)	—	—	—	(2,815)
As of June 30, 2025		17,832	7,305	2,016	—	27,153
Depreciation						
As of January 1, 2022		6,017	1,437	620	1,070	9,144
Provided for the year		2,979	1,641	801	693	6,114
Disposal of subsidiary	36	(1,014)	(1,318)	(355)	(1,763)	(4,450)
Disposals		(751)	—	(1)	—	(752)
As of December 31, 2022		7,231	1,760	1,065	—	10,056
Provided for the year		3,479	1,359	100	—	4,938
Disposals		(1,562)	—	(16)	—	(1,578)
As of December 31, 2023		9,148	3,119	1,149	—	13,416
Provided for the year		2,365	1,520	77	—	3,962
Disposals		(2,674)	(291)	—	—	(2,965)
As of December 31, 2024		8,839	4,348	1,226	—	14,413
Provided for the period		2,093	803	33	—	2,929
Disposals		(1,841)	—	—	—	(1,841)
As of June 30, 2025		9,091	5,151	1,259	—	15,501
Carrying values						
As of December 31, 2022		4,991	2,631	71	—	7,693
As of December 31, 2023		4,011	1,521	159	—	5,691
As of December 31, 2024		6,652	1,280	203	—	8,135
As of June 30, 2025		8,741	2,154	757	—	11,652

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

18. Property and equipment—continued

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%
Leasehold improvement	Over the shorter of the expected life of leasehold improvements or the lease term
Product line	10%
Others	20%

19. Leases

The Group leases certain of its offices and warehouses 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 Track Record Period are as follows:

	Note	As of December 31,			As of June 30,
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/period		26,926	11,009	7,586	4,934
Additions		4,337	1,005	2,455	7,591
Depreciation charge		(8,606)	(4,428)	(5,107)	(2,301)
Disposal of a subsidiary	36	(11,648)	—	—	—
Carrying amount at the end of the year/period		<u>11,009</u>	<u>7,586</u>	<u>4,934</u>	<u>10,224</u>

(b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the Track Record Period are as follows:

	Note	As of December 31,			As of June 30,
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/period		25,462	11,557	8,103	2,158
New leases		4,337	1,005	2,108	7,291
Accretion of interest recognized		974	428	215	47
Payments		(7,540)	(4,887)	(8,268)	(1,262)
Disposal of a subsidiary	36	(11,676)	—	—	—
Carrying amount at the end of the year/period		<u>11,557</u>	<u>8,103</u>	<u>2,158</u>	<u>8,234</u>
Analyzed as:					
Non-current		6,356	2,609	1,039	5,076
Current		<u>5,201</u>	<u>5,494</u>	<u>1,119</u>	<u>3,158</u>
		<u>11,557</u>	<u>8,103</u>	<u>2,158</u>	<u>8,234</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

19. Leases—continued

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Present value of lease liabilities				
—within one year	5,201	5,494	1,119	3,158
—between 1 and 2 years	4,517	1,551	610	2,919
—between 2 and 5 years	1,839	1,058	429	2,157
	<u>11,557</u>	<u>8,103</u>	<u>2,158</u>	<u>8,234</u>

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 rates applied by the Group were 4.41%, 4.32%, 2.72% and 2.66% per annum as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively.

20. Goodwill

Note	Acquisition of Suzhou JINGDONG Gongpinhui Information Technology Co., Ltd. ("Suzhou Gongpinhui")	Acquisition of ICMALL	Other acquisition	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
As of January 1, 2022	396,174	738,888	21,660	1,156,722
Impairment loss recognized in the year	—	(254,278)	—	(254,278)
Disposal of a subsidiary	36	(484,610)	—	(484,610)
As of December 31, 2022, 2023 and 2024 and June 30, 2025	<u>396,174</u>	<u>—</u>	<u>21,660</u>	<u>417,834</u>
Carrying value				
As of December 31, 2022, 2023 and 2024 and June 30, 2025	<u>396,174</u>	<u>—</u>	<u>21,660</u>	<u>417,834</u>

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 review on the goodwill of the Group has been conducted by the management as of December 31, 2022, 2023 and 2024 according to IAS 36. For the purposes of impairment review, the recoverable amount of goodwill is determined based on value-in-use calculations by using the discounted cash flow method. The management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of market developments. As at June 30, 2025, no impairment indicators were identified by the management, hence, no impairment testing has been performed for goodwill as of June 30, 2025.

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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

20. Goodwill—continued

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, 2022, 2023 and 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 3.0%, 2.5% and 2.5% for the three years ended December 31, 2022, 2023 and 2024, respectively, considered China's GDP growth rate and inflation rate base in the prior years. Pre-tax discount rate of 21%, 20% and 19%, for the three years ended December 31, 2022, 2023 and 2024, respectively, were used to reflect market assessment of time value and the specific risks relating to the group of cash-generating units. The management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of market developments.

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

	Year ended December 31,		
	2022	2023	2024
Compound annual growth rate of revenue for the 5-year period	27%	22%	18%
Terminal growth rate	3.0%	2.5%	2.5%
Pre-tax discount rate	21%	20%	19%

Based on the goodwill impairment test, the headroom for the cash-generating unit amounted to RMB27,731 million, RMB38,007 million and RMB38,330 million, which are significantly above its carrying amount as at December 31, 2022, 2023 and 2024, respectively. Therefore, no impairment has been recognized for the goodwill related to Suzhou Gongpinhui and other acquisition for the years ended December 31, 2022, 2023 and 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.

Sensitivity analysis has been performed based on the assumptions that revenue for the five-year period or terminal value or the pre-tax discount rate has been changed. Had the estimated key assumptions during the years ended December 31, 2022, 2023 and 2024 been changed as below, the headroom would be decreased by as below:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Revenue for the five-year period decreases by 5%	1,823,379	1,906,174	1,898,964
Terminal value decrease by 5%	862,836	901,976	932,493
Pre-tax discount rate increases by 5%	1,817,119	1,829,781	1,816,276

Impairment test of ICMALL

In March 2021, the Group obtained control of ICMALL which primarily engaged in the sales of electronic components and recognized goodwill amounting to RMB738,888,000. Goodwill is allocated to the cash-generating unit of ICMALL which represents the lowest level for internal management purposes.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**20. Goodwill—continued**

As of December 31, 2022, the recoverable amount of the group of cash-generating units 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%. Pre-tax discount rate of 18.25% was used to reflect market assessment of time value and the specific risks relating to the group of cash-generating units. The management leveraged their extensive experience in the industry and provided forecast based on past performance and expectation of market developments.

Based on the goodwill impairment test, the recoverable amount is above its carrying amount. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

In September 2022, to optimize the Company's service offerings, the Company terminated the irrevocable deed of voting proxy and power of attorney and accordingly deconsolidated ICMALL. The directors of the Company determined impairment of goodwill directly related to ICMALL amounting to RMB254,278,000 for the nine months ended September 30, 2022. As a result of the disposal, the results of operations of ICMALL are presented as discontinued operations for the year ended December 31, 2021 and nine months ended September 30, 2022. Please refer to Notes 12 and 36.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

21. Other intangible assets

	Note	Trademarks RMB'000	Software RMB'000	Others RMB'000	Total RMB'000
Cost					
As of January 1, 2022		99,617	1,308	39,800	140,725
Disposal of a subsidiary	36	(40,900)	—	(37,700)	(78,600)
Disposal		—	(92)	—	(92)
As of December 31, 2022		58,717	1,216	2,100	62,033
Additions		—	298	—	298
As of December 31, 2023 and 2024 and June 30, 2025		58,717	1,514	2,100	62,331
Amortization					
As of January 1, 2022		16,049	1,161	10,893	28,103
Charge for the year		11,140	126	9,845	21,111
Disposal of a subsidiary	36	(9,251)	—	(19,897)	(29,148)
Disposal		—	(92)	—	(92)
As of December 31, 2022		17,938	1,195	841	19,974
Charge for the year		6,759	269	420	7,448
As of December 31, 2023		24,697	1,464	1,261	27,422
Charge for the year		6,759	50	420	7,229
As of December 31, 2024		31,456	1,514	1,681	34,651
Charge for the period		3,379	—	210	3,589
As of June 30, 2025		34,835	1,514	1,891	38,240
Carrying values					
As of December 31, 2022		40,779	21	1,259	42,059
As of December 31, 2023		34,020	50	839	34,909
As of December 31, 2024		27,261	—	419	27,680
As of June 30, 2025		23,882	—	209	24,091

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
Software	3~5
Others	3~5

22. Financial assets at FVTPL

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Preferred shares investments in unlisted entities	791,212	712,854	553,554	527,391
	791,212	712,854	553,554	527,391

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

22. Financial assets at FVTPL—continued

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 37.4.

23. Prepayments, other receivables and other assets

The Group

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current:				
Amounts due from related parties (Note 34)	6,315,497	1,154,659	2,104,239	841,270
Advance to suppliers	25,206	24,556	4,894	14,500
Recoverable value-added tax	5,907	11,703	4,804	170,784
Prepaid expense	245	143	539	2,773
Estimated return of products sold	20,418	30,116	36,445	28,858
Deferred share issuance cost	—	4,691	5,917	6,755
Others	3,672	7,915	10,794	67,933
	6,370,945	1,233,783	2,167,632	1,132,873
Less: allowance for credit losses	—	—	—	(1,495)
	6,370,945	1,233,783	2,167,632	1,131,378
Non-current:				
Refundable deposits	1,095	3,401	4,779	12,388
	1,095	3,401	4,779	12,388

The Company

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current:				
Amounts due from related parties	4,857,483	2,825,985	2,865,039	2,929,110
	4,857,483	2,825,985	2,865,039	2,929,110

24. Inventories

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Products	591,378	456,329	832,629	1,188,308
Others	17,209	57,772	72,415	70,792
Less: impairment provision	(1,594)	(3,594)	(8,188)	(9,419)
	606,993	510,507	896,856	1,249,681

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

25. Trade and note receivables

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables from third parties	33,800	25,644	42,726	78,400
Trade receivables from related parties (Note 34)	4,181	—	—	—
Less: allowance for ECL	(5,555)	(4,889)	(8,667)	(5,784)
	32,426	20,755	34,059	72,616
Note receivables	13,028	52,270	75,579	45,380
	<u>45,454</u>	<u>73,025</u>	<u>109,638</u>	<u>117,996</u>

The movements in the allowance for ECL are as follows:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	(13,830)	(5,555)	(4,889)	(8,667)
Provision for doubtful receivables	(12,723)	(4,182)	(3,778)	(493)
Disposal of a subsidiary	20,359	—	—	—
Receivables written off during the year/period as uncollectable	639	4,848	—	3,376
At the end of the year/period	<u>(5,555)</u>	<u>(4,889)</u>	<u>(8,667)</u>	<u>(5,784)</u>

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 and related parties based on invoice date is as follows:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	23,246	15,318	32,622	60,125
3 to 6 months	9,386	5,779	996	8,765
6 to 12 months	548	2,037	4,063	6,415
Over 12 months	4,801	2,510	5,045	3,095
	37,981	25,644	42,726	78,400
Less: allowance for ECL	(5,555)	(4,889)	(8,667)	(5,784)
	<u>32,426</u>	<u>20,755</u>	<u>34,059</u>	<u>72,616</u>

The Group held notes received for future settlement of trade receivables. The Group continues 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, 2022, 2023 and 2024 and June 30, 2025, included in the Group's trade receivables balance were debtors with aggregate carrying amount of RMB1 million, RMB8 million, RMB5 million and RMB15 million, respectively, which were past due but not credit-impaired as of each 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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

26. Cash and bank balances

26.1 Term deposits

Term deposits denominated in various currencies are as follows:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
USD	—	3,552,446	—	3,600,406
RMB	—	—	2,000,741	2,501,373
Total	—	3,552,446	2,000,741	6,101,779

Term deposits are bank deposits redeemable on maturity, with maturities between three months and one year. The weight-average interest rates of the term deposits were 5.64%, 1.49% and 4.00% per annum as of December 31, 2023 and 2024 and June 30, 2025, respectively.

26.2 Restricted cash

Restricted cash represents deposits held in designated bank accounts. The Group held restricted cash of nil, RMB14 million, RMB9 million and RMB11 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively.

26.3 Cash and cash equivalents

The Group

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	12,344	5,488,742	8,372,098	4,559,678

Cash and cash equivalents denominated in various currencies are as follows:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	10,532	5,097,621	4,163,822	3,910,434
USD	1,812	391,116	4,170,455	619,917
HKD	—	5	454	464
Others	—	—	37,367	28,863
Total	12,344	5,488,742	8,372,098	4,559,678

The Company

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	1,765	391,086	4,165,539	579,991

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

26. Cash and bank balances—continued

26.3 Cash and cash equivalents—continued

Cash and bank balances denominated in:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
USD	1,765	391,082	4,165,535	579,987
HKD	—	4	4	4
Total	<u>1,765</u>	<u>391,086</u>	<u>4,165,539</u>	<u>579,991</u>

27. 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, 2022, December 31, 2022	99,634,567,660	49,817	365,432,340	183
Reclassification and re-designation upon issuance of the Series B Preference Shares	(81,153,148)	(41)	81,153,148	41
Reclassification and re-designation of the Series B Preference Shares but not issued	<u>(19,322,177)</u>	<u>(10)</u>	<u>19,322,177</u>	<u>10</u>
As of December 31, 2023 and 2024 and June 30, 2025	<u>99,534,092,335</u>	<u>49,766</u>	<u>465,907,665</u>	<u>234</u>

Issued

	Number of ordinary shares	Nominal value of ordinary shares USD	Nominal value of ordinary shares RMB'000
As of January 1, 2022 and December 31, 2022	1,685,627,712	843	6
Issuance of ordinary shares (Note 1.2)	246,166,972	123	1
Issued ordinary shares to ESOP grantee**	110,661,656	55	—*
Repurchase and cancelation of ordinary shares	<u>(5,762,360)</u>	<u>(3)</u>	<u>—*</u>
As of December 31, 2023 and 2024 and June 30, 2025	<u>2,036,693,980</u>	<u>1,018</u>	<u>7</u>

* Less than RMB1,000

** In March 2023, the Company issued 90,629,636 ordinary shares with par value of USD0.0000005 each to Max I&P Limited, a holding vehicle controlled by Mr. Richard Qiangdong Liu pursuant to the share awards vested to Mr. Richard Qiangdong Liu under the JD Industrials Share Incentive Plan. In August 2023, the Company issued 20,032,020 ordinary shares with par value USD0.0000005 each to Magical Brush Limited, a business company incorporated under the laws of the BVI, under the JD Industrials Share Incentive Plan.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

28. Reserves

The Company

	<u>Reserves</u>
	<u>RMB'000</u>
As of January 1, 2022	1,660,501
Share-based payments expenses	183,113
Currency translation differences	(142,641)
As of December 31, 2022	1,700,973
Repurchase and cancelation of shares	(68,771)
Share-based payments expenses	178,012
Exercise of share options and vesting of RSUs	250,561
Currency translation differences	(70,912)
As of December 31, 2023	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
Share-based payments expenses	98,337
Repurchase of share options	(5,966)
Currency translation differences	11,845
As of June 30, 2025	<u>2,210,455</u>

29. Share-based payments

During the Track Record Period, the employees of the Group are eligible for the JD Group Share Incentive Plan, which includes share options and RSUs. In addition, share options and RSUs were granted to eligible employees and non-employees pursuant to the JD Industrials Share Incentive Plan.

Share-based payments of RMB183 million, RMB297 million, RMB125 million, RMB81 million and RMB51 million in aggregate has been recognized during the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, with expenses for share options of RMB7 million, RMB175 million, RMB165 million, RMB81 million and RMB98 million, respectively, and the remaining for RSUs.

29.1 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. One-fourth or one-sixth of the awards, depending on different vesting schedules of JD Group Share Incentive Plan, shall be vested upon the end of the calendar year in which the awards were granted or the first anniversary dates of the grants, and the remaining of the awards shall be vested on straight line basis at the end of the remaining calendar or the anniversary years.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

29. Share-based payments—continued

29.1 JD Group Share Incentive Plan—continued

The Group recognizes share-based payment expenses in its consolidated statements of profit or loss, net of estimated forfeitures, over a vesting term for service-based share incentives. 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.

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, 2022	2,491,382	29.74
Granted	845,918	30.12
Vested	(675,766)	24.32
Transferred*	472,316	17.78
Forfeited or canceled	(533,566)	30.48
Unvested as of December 31, 2022	2,600,284	28.62
Granted	137,624	25.10
Vested	(423,944)	25.65
Transferred*	397,130	33.94
Forfeited or canceled	(2,012,322)	30.97
Unvested as of December 31, 2023	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	35,640	18.46
Vested	(129,584)	23.76
Transferred*	246,910	19.98
Forfeited or canceled	(136,298)	18.62
Unvested as of June 30, 2025	360,052	22.09

* The transfer represents the net of addition or deduction of RSUs that were previously granted to employees who transferred into or out of the Listing Business during the Track Record Period.

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.

29.2 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 in 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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

29. Share-based payments—continued

29.2 JD Industrials Share Incentive Plan—continued

tranches over prescribed vesting periods, typically spanning four years from the vesting commencement date.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, the Group had reserved 121,391,215, 75,880,619, 64,151,302 and 59,098,166 ordinary shares, respectively, 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, 2022	—	—	—
Granted	2,660,000	0.0000005	
Outstanding as of December 31, 2022	2,660,000	0.0000005	9.28
Granted	47,915,455	0.73	
Exercised	(20,032,020)	1.74	
Forfeited or canceled	(2,404,859)	0.0000005	
Outstanding as of December 31, 2023	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	9,866,172	0.0000005	
Repurchased	(651,918)	0.0000005	
Forfeited or canceled	(4,161,118)	0.0000005	
Outstanding as of June 30, 2025	44,921,029	0.0000005	8.49

The number of exercisable share options as of December 31, 2022, 2023 and 2024 and June 30, 2025 was nil, 4,645,028, 10,519,522 and 14,624,411, respectively.

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 binominal option-pricing model with the following assumptions:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Expected volatility	46.8% to 50.0%	49.0% to 50.0%	38.4% to 43.5%	47.2% to 49.0%
Risk-free interest rate (per annum)	2.3% to 3.0%	4.3% to 4.7%	3.7% to 4.5%	4.9% to 5.1%
Expected dividend yield	—	—	—	—
Expected term (in years)	10	10	10	10
Fair value of the underlying shares on the date of option grants (USD)	1.37 to 1.57	2.10 to 2.22	2.24 to 2.28	2.32 to 2.34

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

30. Dividends

No dividends had been paid or declared by the Company or its subsidiaries or its consolidated affiliated entities for the Track Record Period.

31. 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,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	2,010,377	3,652,829	4,873,192	4,058,646
3 to 6 months	330,664	90,018	183,537	356,808
6 to 12 months	48,681	36,648	36,437	65,644
Over 12 months	—	12,143	15,834	12,539
Total	<u>2,389,722</u>	<u>3,791,638</u>	<u>5,109,000</u>	<u>4,493,637</u>

32. Accrued expenses and other payables

Accrued expenses and other payables consist of the following:

The Group

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deposits received*	257,855	439,807	518,744	524,837
Salary and welfare payables	158,095	165,156	228,105	182,693
Other tax payables	107,128	29,258	112,133	18,968
Advances from customers	61,701	50,733	55,743	53,477
Liabilities for return allowances	21,828	31,272	38,264	30,873
Listing expenses and issuance costs payables	—	38,579	33,679	33,581
Others	12,606	42,127	22,208	13,535
Total	<u>619,213</u>	<u>796,932</u>	<u>1,008,876</u>	<u>857,964</u>

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

33. 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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

33. Convertible preferred shares—continued

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

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.

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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

33. Convertible preferred shares—continued*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.

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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

33. Convertible preferred shares—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 are set out as below:

	RMB'000
As of January 1, 2022	3,329,044
Change in fair value of convertible preferred shares	1,915,655
Currency translation differences	377,115
As of December 31, 2022	5,621,814
Issuance of Series B Preference Shares	1,461,576
Redesignation of Series B Preference Shares from Series A-1 Preference Shares*	45,251
Repurchase of Series Pre-A Preference Shares**	(284,977)
Change in fair value of convertible preferred shares	530,279
Currency translation differences	129,955
As of December 31, 2023	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	4,495
Currency translation differences	(31,791)
As of June 30, 2025	7,636,457

* At the date of redesignation, the fair value of Series A-1 Preference Shares is lower than Series B Preference Shares. The redesignation resulted in a loss of RMB45,251,000.

** In March 2023, the Company agreed to repurchase 17,337,607 Series Pre-A Preference Shares at an aggregate cash consideration of approximately USD30 million. The fair value of the repurchased Series Pre-A Preference Shares amounted to RMB284,977,000 at the time of repurchase, which resulting in a repurchase gain of RMB77,715,000. In August 2023, the Company canceled 14,269,660 repurchased Series Pre-A Preference Shares.

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 at the end of each reporting period. Key assumptions are set as below:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
Discount rate	17%	16%	16%	15%
Risk-free interest rate	4.82%	4.77%	5.07%	4.39%
DLOM	18%	12%	9%	7%
Volatility	48%	48%	40%	40%

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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. Related party transactions

The following significant transactions are carried out between the Group and its related parties during the Track Record Period. 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 Track Record Period.

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) Services and products received from related parties

After the Closing Date of the Series A Preference Share financing, based on the terms stipulated in the Series A Share Subscription Agreements, terms and pricing policies of these transactions entered into by JD Group for the Group or between JD Group and the Group were established. Details of these transactions recorded with such terms and pricing policies since that date during the Track Record Period are separately shown as follows:

	Notes	Year ended December 31,			Six months ended June 30,	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Services and products provided to related parties:						
Marketing services provided to JD Group		350,659	472,218	585,956	262,318	335,460
Technology services provided to JD Group		13,003	6,705	6,263	1,943	1,663
Services provided to JD Technology		4,842	7,530	2,564	188	369
Products provided to JD Group		—	1,544	30,706	6,744	41,519
Services and products received from related parties:						
Logistics and warehousing services received from JD Group	(i)	279,994	365,053	522,929	213,113	418,150
Technology and traffic support services received from JD Group	(ii)	385,726	445,070	485,614	216,960	239,115
Marketing services received from JD Group	(iii)	25,329	26,350	32,977	13,231	15,087
Payment services received from JD Group	(iv)	101,923	123,885	73,989	46,748	27,964
Other services and share-based payments received from JD Group	(v)	523,882	201,657	88,683	60,754	24,893
Loyalty program services received from JD Group	(vi)	24,548	26,143	10,448	7,334	2,780
Other services received from JD Technology	(vii)	28,321	30,035	36,181	17,499	14,240
Factoring services received from JD Technology	(viii)	105,189	138,840	192,967	74,862	90,258
Products received from JD Group	(ix)	—	—	642	—	2,272
Receiving of interest:						
Interest income from JD Group	(x)	152,521	111,622	—	—	—

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. Related party transactions—continued

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.
- (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 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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. Related party transactions—continued

- (viii) JD Technology provides factoring services by purchasing trade receivables from the Group to enable it 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.

Receiving of interest

- (x) To better utilize the excessive cash for higher returns, the Group participates in the treasury management scheme administrated by JD Group, through transferring excessive cash to JD Group and charges interest accordingly, while JD Group charges the Group with interest expenses on amount due to JD Group. The Group is entitled to receive interest income and obligated to make payments of interest expenses with JD Group based on the terms stipulated in the Series A Share Subscription Agreement. Since the completion of the Spin-off, the Company has terminated treasury management scheme with JD Group.

(c) The Group had the following balances with the major related parties:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due from JD Group*	6,317,177	1,147,897	2,097,782	835,571
Amounts due from JD Technology	2,501	6,762	6,457	5,699
Amounts due to JD Technology	16,435	84,723	35,734	36,114

* Including unsettled acquisition consideration for Suzhou Gongpinhui which is paid by JD Group on behalf of the Group as of December 31, 2022.

Significant balances with related parties as of December 31, 2022:

As of December 31, 2022, amounts due from related parties of RMB6,315,497,000 with interest rate agreed with JD Group which were in non-trade nature and RMB4,181,000 were trade in nature.

As of December 31, 2022, amounts due to JD Technology of RMB16,435,000 were incurred in ordinary course of business, which were unsecured and interest free.

Significant balances with related parties as of December 31, 2023:

As of December 31, 2023, amounts due from related parties of RMB1,154,659,000 which were trade in nature and aging of these balances are within three months.

As of December 31, 2023, amounts due to JD Technology of RMB84,723,000 were incurred in ordinary course of business, which were unsecured and interest free.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

34. Related party transactions—continued

Significant balances with related parties as of December 31, 2024:

As of December 31, 2024, amounts due from related parties of RMB2,104,239,000 which were trade in nature and aging of these balances are within three months.

As of December 31, 2024, amounts due to JD Technology of RMB35,734,000 were incurred in ordinary course of business, which were unsecured and interest free.

Significant balances with related parties as of June 30, 2025:

As of June 30, 2025, amounts due from related parties of RMB841,270,000 which were trade in nature and aging of these balances are within three months.

As of June 30, 2025, amounts due to JD Technology of RMB36,114,000 were incurred in ordinary course of business, which were unsecured and interest free.

The above amounts due from/due to related parties were unsecured, non-interest bearing and repayable on demand.

(d) Key management personnel compensation

The remuneration of directors and other key management personnel is as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and bonuses	2,328	3,858	4,557	2,097	2,294
Share-based payments	14,850	51,494	17,901	9,648	5,167
Pension costs - defined contribution plans	61	126	149	73	76
Welfare, medical and other benefits	125	294	334	166	183
	<u>17,364</u>	<u>55,772</u>	<u>22,941</u>	<u>11,984</u>	<u>7,720</u>

35. Commitments

The Group had no material capital commitment as of December 31, 2022, 2023 and 2024 and June 30, 2025.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

36. Disposal of a subsidiary

As referred to in Note 12, on September 30, 2022, the Group discontinued its electronic component operations at the time of disposal of its subsidiary, ICMALL. The net assets of ICMALL at the date of disposal were as follows:

	<u>RMB'000</u>
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	18,521
Right-of-use assets	11,648
Goodwill	484,610
Other intangible assets	49,452
Inventories	102,688
Trade receivables	431,342
Prepayments, other receivables and other assets	180,308
Financial assets at FVTPL	177,207
Restricted cash	12,530
Cash and cash equivalents	70,812
Lease liabilities	(11,676)
Convertible preferred shares	(445,578)
Deferred Tax liabilities	(7,418)
Trade payables	(415,834)
Contract liabilities	(86,265)
Accrued expenses and other payables	(26,264)
Income tax payables	(3,535)
Net assets disposed of	<u>542,548</u>
	<u>RMB'000</u>
Gain on disposal of a subsidiary:	
Financial assets at FVTPL*	370,875
Net assets disposed of	(542,548)
Non-controlling interests	376,142
Gain on disposal	<u>204,469</u>
	<u>RMB'000</u>
Net cash outflow arising on disposal:	
Cash consideration	—
Less: bank balances and cash disposed of	(70,812)
	<u>(70,812)</u>

* Financial assets at FVTPL represents the fair value of the Series C-2 Preference Shares in ICMALL which included in preferred shares investments in unlisted entities at the date of disposal.

The impact of ICMALL on the Group's results and cash flows in 2022 is disclosed in Note 12.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments

37.1 Financial instruments by categories

The Group

		As of December 31,			As of June 30,
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Financial assets					
Financial assets at fair value:					
Financial assets at FVTPL	22	791,212	712,854	553,554	527,391
Financial assets at amortized cost		<u>6,374,390</u>	<u>10,286,543</u>	<u>12,600,538</u>	<u>11,704,202</u>
Financial liabilities					
Financial liabilities at fair value:					
Convertible preferred shares	33	5,621,814	7,503,898	7,663,753	7,636,457
Financial liabilities at amortized cost		<u>2,733,441</u>	<u>4,370,987</u>	<u>5,741,532</u>	<u>5,127,301</u>

The Company

		As of December 31,			As of June 30,
	Note	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Financial assets					
Financial assets at amortized cost		4,859,248	6,769,517	7,030,578	7,109,507
Financial liabilities					
Financial liabilities at fair value:					
Convertible preferred shares	33	5,621,814	7,503,898	7,663,753	7,636,457
Financial liabilities at amortized cost		2,351	34,303	34,096	30,573

37.2 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 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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.2 Financial risk management—continued

(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.

During the Track Record Period, 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, restricted cash, and interest bearing amounts due from JD Group. 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 during the Track Record Period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period during the Track Record Period were outstanding for the whole year.

If the interest rate had been 50 basis points higher/lower and all other variable were held constant, the Group's post-tax loss for the year ended December 31, 2022 would have been approximately RMB23 million lower/higher, the Group's post-tax profit for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 would have been RMB17 million, RMB36 million and RMB39 million higher/lower, mainly as a result of higher/lower interest income on floating-rate cash and cash equivalents, restricted cash or interest bearing balances with JD Group.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.2 Financial risk management—continued

Price risk

The Group is exposed to 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 37.4.

(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, trade and note receivables 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 and restricted cash are mainly deposited in state-owned or reputable financial institutions in Mainland China and reputable international financial institutions outside of Mainland China. 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 Track Record Period. 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 HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.2 Financial risk management—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.

On that basis, the loss allowance as of December 31, 2022, 2023 and 2024 and June 30, 2025 was determined as follows for trade receivables:

Provision on collective basis	As of December 31, 2022			
	Within 3 months	3 to 6 months	6 to 12 months	Total
Lifetime ECL rate (not credit-impaired)	0.7%	2.6%	64.4%	
Gross carrying amount (RMB'000)	23,246	9,386	548	33,180
Loss allowance (RMB'000)	(160)	(241)	(353)	(754)

Provision on collective basis	As of December 31, 2023			
	Within 3 months	3 to 6 months	6 to 12 months	Total
Lifetime ECL rate (not credit-impaired)	2.0%	16.4%	55.3%	
Gross carrying amount (RMB'000)	15,318	5,779	2,037	23,134
Loss allowance (RMB'000)	(305)	(947)	(1,127)	(2,379)

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.2 Financial risk management—continued

	As of December 31, 2024			
	Within 3 months	3 to 6 months	6 to 12 months	Total
Provision on collective basis				
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)
	As of June 30, 2025			
	Within 3 months	3 to 6 months	6 to 12 months	Total
Provision on collective basis				
Lifetime ECL rate (not credit-impaired)	0.1%	4.1%	35.7%	
Gross carrying amount (RMB'000)	60,125	8,765	6,415	75,305
Loss allowance (RMB'000)	(40)	(357)	(2,292)	(2,689)

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)	Lifetime ECL (credit-impaired)	Total
	RMB'000	RMB'000	RMB'000
As of January 1, 2022	6,126	7,704	13,830
Disposal of a subsidiary	(8,560)	(11,799)	(20,359)
Impairment losses recognized, net of reversal	3,188	9,535	12,723
Written off	—	(639)	(639)
As of December 31, 2022	754	4,801	5,555
Impairment losses recognized, net of reversal	1,625	2,557	4,182
Written off	—	(4,848)	(4,848)
As of December 31, 2023	2,379	2,510	4,889
Impairment losses recognized, net of reversal	1,243	2,535	3,778
As of December 31, 2024	3,622	5,045	8,667
Impairment losses recognized, net of reversal	(933)	1,426	493
Written off	—	(3,376)	(3,376)
As of June 30, 2025	2,689	3,095	5,784

No allowance has been provided for note receivables since the balances are all with the banks which have low credit risks during the Track Record Period.

No concentration of credit risk noted on the trade and note receivables of the Group for the Track Record Period.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.2 Financial risk management—continued

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. For the Track Record Period, the Group assessed the ECL for other receivables were insignificant and thus no loss allowance was recognized.

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.

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.

	The Group					
	Weighted average interest rate	Carrying amount	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of December 31, 2022						
Trade payables		2,389,722	2,389,722	—	—	—
Lease liabilities	4.41	11,557	5,324	4,842	2,073	—
Financial liabilities included in accrued expenses and other payables		332,162	332,162	—	—	—
Convertible preferred shares		5,621,814	—	—	—	2,551,288
		<u>8,355,255</u>	<u>2,727,208</u>	<u>4,842</u>	<u>2,073</u>	<u>2,551,288</u>
						<u>5,285,411</u>
As of December 31, 2023						
Trade payables		3,791,638	3,791,638	—	—	—
Lease liabilities	4.32	8,103	5,624	1,651	1,170	—
Financial liabilities included in accrued expenses and other payables		571,246	571,246	—	—	—
Convertible preferred shares		7,503,898	—	—	—	4,012,864
		<u>11,874,885</u>	<u>4,368,508</u>	<u>1,651</u>	<u>1,170</u>	<u>4,012,864</u>
						<u>8,384,193</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.2 Financial risk management—continued

	Weighted average interest rate	The Group					Total
		Carrying amount	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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
		<u>13,405,285</u>	<u>5,740,510</u>	<u>698</u>	<u>2,152,847</u>	<u>1,956,318</u>	<u>9,850,373</u>
As of June 30, 2025							
Trade payables		4,493,637	4,493,637	—	—	—	4,493,637
Lease liabilities	2.66	8,234	3,194	3,030	2,285	—	8,509
Financial liabilities included in accrued expenses and other payables		625,430	625,430	—	—	—	625,430
Convertible preferred shares . . .		7,636,457	—	—	2,461,298	1,630,366	4,091,664
		<u>12,763,758</u>	<u>5,122,261</u>	<u>3,030</u>	<u>2,463,583</u>	<u>1,630,366</u>	<u>9,219,240</u>

Details of the description of convertible preferred shares are presented in Note 33.

37.3 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.

37.4 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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.4 Fair value measurement of financial instruments—continued

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.

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, 2022				
Asset:				
Financial assets at FVTPL:				
Investments in unlisted entities	—	—	791,212	791,212
Liability:				
Convertible preferred shares	—	—	5,621,814	5,621,814
As of December 31, 2023				
Asset:				
Financial assets at FVTPL:				
Investments in unlisted entities	—	—	712,854	712,854
Liability:				
Convertible preferred shares	—	—	7,503,898	7,503,898
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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.4 Fair value measurement of financial instruments—continued

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of June 30, 2025				
Asset:				
Financial assets at FVTPL:				
Investments in unlisted entities	—	—	527,391	527,391
Liability:				
Convertible preferred shares	—	—	7,636,457	7,636,457

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 33.

Financial asset	Fair value as of December 31,			Fair value as of June 30,	Fair value Hierarchy report	Valuation technique(s) and key input(s)	Significant unobservable inputs
	2022	2023	2024	2025			
	RMB'000	RMB'000	RMB'000	RMB'000			
Investments in unlisted entities	791,212	712,854	553,554	527,391	Level 3	Market approach or Income approach	DLOM; market multiples; weighted average cost of capital ("WACC")

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 RMB4,291,000, RMB3,617,000, RMB2,742,000, RMB2,975,000 and RMB2,602,000 for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively.

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 RMB9,605,000, RMB7,139,000, RMB4,953,000, RMB5,759,000 and RMB5,353,000 for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively.

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 RMB6,866,000, RMB6,341,000, RMB2,707,000, RMB3,933,000 and RMB2,773,000 for

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**37. Financial instruments—continued****37.4 Fair value measurement of financial instruments—continued**

the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively.

As the convertible preferred shares are not traded in an active market, 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 the convertible preferred shares. Major assumptions used in the valuation for the convertible preferred shares are presented in Note 33.

Fair value of convertible preferred shares is 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 loss for the year ended December 31, 2022 would have been approximately RMB522,807,000 higher/lower, respectively, and the post-tax profit for the years ended December 31, 2023 and 2024 and six months ended June 30, 2024 and 2025 would have been approximately RMB707,489,000, RMB727,282,000, RMB717,650,000 and RMB728,547,000 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 Track Record Period, 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, 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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

37. Financial instruments—continued

37.4 Fair value measurement of financial instruments—continued

Reconciliation of Level 3 fair value measurements:

	Financial assets at FVTPL	Convertible preferred shares
	RMB'000	RMB'000
As of January 1, 2022	466,463	3,933,489
Addition	370,875	—
Disposal of a subsidiary	—	(445,578)
Changes in fair value		
— Fair value changes of equity investments in unlisted entities measured as financial assets at FVTPL	(46,126)	—
— Fair value changes of convertible preferred shares	—	1,756,788
Currency translation differences	—	377,115
As of December 31, 2022	791,212	5,621,814
Issuance	—	1,461,576
Repurchase	—	(284,977)
Redesignation	—	45,251
Changes in fair value		
— Fair value changes of equity investments in unlisted entities measured as financial assets at FVTPL	(78,358)	—
— Fair value changes of convertible preferred shares	—	530,279
Currency translation differences	—	129,955
As of December 31, 2023	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	(26,163)	—
— Fair value changes of convertible preferred shares	—	4,495
Currency translation differences	—	(31,791)
As of June 30, 2025	<u>527,391</u>	<u>7,636,457</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

38. Note to consolidated statements of cash flows

(a) Reconciliation of (loss)/profit for the years/periods to cash generated from operations:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year/period	(1,269,132)	4,799	761,608	291,247	451,314
— (Loss)/profit for the year/period from continuing operations	(1,384,098)	4,799	761,608	291,247	451,314
— Profit for the year/period from discontinued operations	114,966	—	—	—	—
Adjustments for:					
Income tax expense	192,006	155,559	120,995	86,807	60,748
Depreciation and amortization	35,831	16,814	16,298	7,814	8,819
Share-based payment expenses	183,113	297,314	125,241	80,723	50,591
Fair value changes of convertible preferred shares	1,756,788	530,279	47,607	9,084	4,495
Loss on redesignation of convertible preferred shares	—	45,251	—	—	—
Gain on repurchase of convertible preferred shares	—	(77,715)	—	—	—
Fair value changes of financial assets as FVTPL	57,248	78,358	159,300	134,799	26,163
Gain from disposal of subsidiaries	(204,469)	—	—	—	—
Finance income	(162,164)	(287,401)	(293,277)	(160,266)	(129,426)
Finance costs	106,163	139,268	193,182	75,016	90,305
Impairment losses under ECL model, net of reversal	12,666	4,182	3,778	6,594	1,988
Impairment provision for inventories, net of reversal	3,790	2,000	4,594	3,248	1,231
Impairment of goodwill	254,278	—	—	—	—
Disposal loss/(gain) of non-current assets	2,089	1,261	420	(14)	—
Foreign exchange losses/(gains), net	5,070	11	(539)	(56)	267
Changes in working capital:					
(Increase)/decrease in inventories	(41,184)	94,486	(390,943)	(153,378)	(354,056)
Decrease/(increase) in trade and note receivables	22,057	(31,752)	(40,391)	(26,617)	(8,851)
(Increase)/decrease in prepayments, other receivables and other assets	(57,199)	(1,081,305)	(941,508)	149,609	1,015,318
Increase/(decrease) in trade payables	778,896	1,360,147	1,365,963	(444,879)	(609,679)
Increase/(decrease) in contract liabilities	56,408	(125,349)	9,850	(12,966)	(30,895)
Increase/(decrease) in accrued expenses and other payables	329,740	182,092	210,105	14,004	(153,748)
Cash generated from operations	<u>2,061,995</u>	<u>1,308,299</u>	<u>1,352,283</u>	<u>60,769</u>	<u>424,584</u>

There were no material non-cash investing and financing activities for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

38. Note to consolidated statements of cash flows—continued

(b) Reconciliation of liabilities arising from financing activities

	Convertible preferred shares	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2022	3,933,489	25,462	3,958,951
Financing cash flows	—	(7,540)	(7,540)
Deconsolidation and disposal of subsidiaries	(445,578)	(11,676)	(457,254)
New leases entered	—	4,337	4,337
Finance costs	—	974	974
Fair value changes of convertible preferred shares	1,756,788	—	1,756,788
Currency translation differences	377,115	—	377,115
At December 31, 2022	5,621,814	11,557	5,633,371
Financing cash flows	1,254,314	(4,887)	1,249,427
New leases entered	—	1,005	1,005
Financial costs	—	428	428
Fair value changes of convertible preferred shares	530,279	—	530,279
Loss on redesignation of convertible preferred shares	45,251	—	45,251
Gain on repurchase of convertible preferred shares	(77,715)	—	(77,715)
Currency translation differences	129,955	—	129,955
At December 31, 2023	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	—	(1,262)	(1,262)
New leases entered	—	7,291	7,291
Financial costs	—	47	47
Fair value changes of convertible preferred shares	4,495	—	4,495
Currency translation differences	(31,791)	—	(31,791)
At June 30, 2025	7,636,457	8,234	7,644,691

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued

39. 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 during the Track Record Period and as of the date of this report are set out below:

Name of subsidiaries**/**	Place of incorporation / registration /operations	Registered capital	Proportion of ownership interest attributable to the Company					As of the date of this report	Principal activities
			December 31,			June 30,			
			2022	2023	2024	2025			
Beijing JINGDONG Electrolysis	Mainland China	RMB 100,000,000	100%	100%	100%	100%	100%	Technical and information services	
Suqian JINGDONG Baoying ..	Mainland China	RMB 100,000	100%	100%	100%	100%	100%	Online retail of industrial products	
Beijing JINGDONG Industrial Products Trading Co., Ltd. ..	Mainland China	RMB 100,000,000	100%	100%	100%	100%	100%	Online retail of industrial products	
Beihai JINGDONG Industrial	Mainland China	RMB 100,000	100%	100%	100%	100%	100%	Technical and advertising services	
Beijing JINGDONG Industrial	Mainland China	RMB 50,000,000	100%	100%	100%	100%	100%	Procurement of industrial products	
Shanghai JINGDONG Shangpin Trading Co., Ltd.	Mainland China	RMB 1,000,000	100%	100%	100%	100%	100%	Online retail of industrial products	
Guangxi Yangqi	Mainland China	RMB 100,000	100%	100%	100%	100%	100%	Technical and advertising services	
Shenzhen JINGDONG Industrial Digital Intelligence Supply Chain Co., Ltd.	Mainland China	RMB 10,000,000	—	—	100%	100%	100%	Cross-border industrial supply chain technology and services	

Details of the principal consolidated affiliated entities of the Company as of each reporting period end during the Track Record Period and as of the date of this report are set out below:

Name of subsidiaries and affiliated entities*/**	Place of incorporation / Registration /operations	Registered capital	Proportion of ownership interest attributable to the Company					Principal activities
			December 31,			June 30,	As of the date of this report	
			2022	2023	2024	2025		
Jiangsu Jucheng Space	Mainland China	RMB 10,000,000	100%	100%	100%	100%	100%	Technical and advertising services
Beijing JINGDONG Boyan Information Technology Co., Ltd.	Mainland China	RMB 2,000,000	100%	100%	100%	100%	100%	Technical and information services
Suzhou Gongpinhui	Mainland China	RMB 19,075,445	100%	100%	100%	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.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION—continued**39. Particulars of principal subsidiaries and consolidated affiliated entities—continued**

The voting power of the subsidiaries and consolidated affiliated entities held by the Company are same with the ownership interest held by the Company.

No audited statutory financial statements for the period from date of incorporation or acquisition to June 30, 2025 have been prepared for the subsidiaries and consolidated affiliated entities incorporated in the PRC listed above, since there is no statutory audit requirement.

None of the subsidiaries and consolidated affiliated entities had issued any debt securities during the Track Record Period.

The Company

As at December 31, 2022, 2023 and 2024 and June 30, 2025, the Company recorded investments in subsidiaries of nil, RMB151,932,000, RMB328,318,000 and RMB423,934,000, respectively. Investments in subsidiaries represent capital injection to the subsidiaries of the Company for the purpose of permanent investment and the deemed investments to subsidiaries in relation to the share-based awards under JD Industrials Share Incentive Plan granted to employees of the Company's subsidiaries.

40. 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.

41. Contingencies

The Group did not have any material contingent liabilities as of December 31, 2022, 2023 and 2024 and June 30, 2025.

42. Subsequent Events

On December 1, 2025, the Company and the relevant holders of Series B Preference Shares have conditionally agreed that the Series B Preference Shares will be converted into ordinary shares at adjusted conversion ratio with certain cash payment to be made to the holders of Series B Preference Shares pursuant to the Conversion Adjustment Mechanism as set out in section headed "History, Reorganization and Corporate Structure". The final adjusted conversion ratio and cash payment is subject to the final offer price of the Global Offering as defined in the Prospectus.

43. Subsequent Financial Statements

No audited financial statements of the Group, the Company or any of the companies now comprising the Group have been prepared in respect of any period subsequent to June 30, 2025.

The information set out in this Appendix does not form part of the accountants' report on the historical financial information of the Group for the three years ended December 31, 2024 and the six months ended June 30, 2025 (the "Accountants' Report"), prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included in this prospectus for information only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus, respectively.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with Rule 4.29(1) of the Listing Rules and is set out below to illustrate the effect of the Global Offering on the audited consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025, as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company, had the Global Offering been completed as of June 30, 2025 or at any future dates.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025 as derived from the Accountants' Report, as set out in Appendix I to this prospectus, and adjusted as follows:

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025 per Share	
	RMB'000	RMB'000	RMB'000	RMB	HK\$
	(Note 1)	(Note 2)		(Note 3)	(Note 4)
Based on an Offer Price of					
HK\$12.70 per Offer Share	559,736	2,363,837	2,923,573	1.30	1.43
Based on an Offer Price of					
HK\$15.50 per Offer Share	559,736	2,891,362	3,451,098	1.54	1.69

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025 is derived from the Accountants' Report set out in Appendix I to this prospectus, which is based on the consolidated net assets of the Group attributable to the owners of the Company as of June 30, 2025 of RMB1,001,661,000 with adjustments for intangible assets and goodwill of the Group attributable to owners of the Company as of June 30, 2025 of RMB24,091,000 and RMB417,834,000, respectively.
2. The estimated net proceeds from the Global Offering are based on 211,208,800 Offer Shares to be issued at the Offer Price of HK\$12.70 and HK\$15.50 per Offer Share, being the low-end and high-end of the indicative range of the Offer Price, respectively, after deduction of the estimated listing expenses and share issue costs (including underwriting fees and other related expenses) expected to be incurred by the Group subsequent to June 30, 2025 and does not take into account allotment and issuance of any Offer Shares upon the exercise of the Over-allotment Option and the Shares to be issued under the JD Industrials Share Incentive Plan, and the Shares which may be allotted and issued or repurchased by the Company under the general mandates granted to the directors of the Company.

For the purpose of calculating the estimated net proceeds from the Global Offering, the translation of Hong Kong dollars into Renminbi was made at the exchange rate of HK\$1.00 to RMB0.9103 as disclosed in the Exchange Rate Conversion section of the prospectus. No representation is made that Hong Kong dollars have been, would have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at June 30, 2025 per Share is calculated based on 2,247,902,780 Shares, being the number of Shares expected to be in issue assuming that Global Offering had been completed on June 30, 2025. It does not take into account conversion of Series Pre-A Preference Shares, Series A Preference Shares, Series A-1 Preference Shares and Series B Preference Shares (the “Preferred Shares”) into Shares upon the completion of the Global Offering (the “Conversion”), allotment and issuance of any Offer Shares upon the exercise of the Over-allotment Option and the Shares to be issued under the JD Industrials Share Incentive Plan, and the Shares which may be allotted and issued or repurchased by the Company under the general mandates granted to the directors of the Company.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is converted from Renminbi into Hong Kong dollars at the rate of HK\$1.00 to RMB0.9103 as disclosed in the Exchange Rate Conversion section of the prospectus. No representation is made that the Renminbi have been, would have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.
5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of June 30, 2025 to reflect any operating result or other transactions of the Group entered into subsequent to June 30, 2025. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on the table above have not been adjusted to illustrate the effect of the Conversion.

As of June 30, 2025, the carrying amount of 429,247,881 Preferred Shares of the Group was RMB7,636,457,000 and recognized as financial liabilities. The Preferred Shares shall automatically be converted without the payment of any additional consideration into ordinary shares upon the completion of the Global Offering based on initial conversion ratio of 1:1 for Series Pre-A Preference Shares, Series A Preference Shares and Series A-1 Preference Shares while based on the Conversion Adjustment as set out in section headed “History, Reorganization and Corporate Structure” of the Prospectus for Series B Preference Shares.

Had the Conversion and cash payment to the holders of Series B Preference Shares according to the Conversion Adjustment been assumed to take place as at June 30, 2025, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company would have increased from approximately RMB2,923,573,000 to approximately RMB9,894,520,000 based on an Offer Price of HK\$12.70 per Offer Share, after taking into account the carrying amount of Preferred Shares of the Group as of June 30, 2025 and the cash payment under the Conversion Adjustment. The number of Shares used in the calculation would have increased from 2,247,902,780 Shares to 2,687,570,231 Shares based on an Offer Price of HK\$12.70 per Offer Share, after taking into account the Conversion of the Preferred Shares. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share would have increased to RMB3.68 (HK\$4.04), based on the Offer Price of HK\$12.70 per Offer Share.

For the purpose of calculating the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share, the translation of Hong Kong dollars into Renminbi or Renminbi into Hong Kong dollars was made at the exchange rate of HK\$1.00 to RMB0.9103 as disclosed in the Exchange Rate Conversion section of the prospectus. No representation is made that Hong Kong dollars amounts have been, would have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

B. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte.**德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of JINGDONG Industrials, Inc.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of JINGDONG Industrials, Inc. (the "Company") and its subsidiaries and consolidated affiliated entities (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at June 30, 2025 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated December 3, 2025 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Global Offering (as defined in the Prospectus) on the Group's financial position as at June 30, 2025 as if the Global Offering had taken place at June 30, 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended December 31, 2024 and the six months ended June 30, 2025, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or

Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at June 30, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants’ judgment, having regard to the reporting accountants’ understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
December 3, 2025

SUMMARY OF THE CONSTITUTION OF THE COMPANY**1 Memorandum of Association**

The Memorandum of Association of the Company was conditionally adopted on November 27, 2025 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

The Memorandum of Association is on display on the websites of the Stock Exchange and the Company as specified in Appendix V in the section headed “Documents Delivered to the Registrar of Companies and Available on Display—Documents Available on Display”.

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on November 27, 2025 and include provisions to the following effect:

2.1 Classes of Shares

The share capital of the Company consists of ordinary shares. The capital of the Company at the date of adoption of the Articles is US\$50,000 divided into 100,000,000,000 shares of US\$0.0000005 each.

2.2 Directors*(a) Power to allot and issue Shares*

Subject to the provisions of the Companies Act and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Companies Act and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

(b) Power to dispose of the assets of the Company or any subsidiary

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association

or the Companies Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Act and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) *Compensation or payment for loss of office*

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(d) *Loans to Directors*

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) *Financial assistance to purchase Shares*

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) *Disclosure of interest in contracts with the Company or any of its subsidiaries*

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or
 - (B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) *Remuneration*

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time

during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of traveling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(h) *Retirement, appointment and removal*

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. 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, but shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation at such meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his term of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). The Company may also by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has

been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;
- (vi) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under 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.

(i) *Borrowing powers*

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(j) *Proceedings of the Board*

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairperson of the meeting shall have a second or casting vote.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths of the voting rights of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorized representative) at the date of the relevant meeting not less than one-third of the voting rights of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorized shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer

shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so canceled subject to the provisions of the Companies Act; and
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorized and subject to any conditions prescribed by the Companies Act.

2.6 Special resolution – majority required

A “special resolution” is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Act, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an “ordinary resolution” is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting (a) every member present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have the right to speak, (b) on a show of hands, every member present in such manner shall have one vote, and (c) on a poll, every member present in such manner shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorized in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairperson of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognized clearing house (or its nominee(s)) is a member of the Company it may authorize such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house (or its nominee(s)) which he represents as that recognized clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorization, including the right to speak and, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings and extraordinary general meetings

The Company shall hold a general meeting as its annual general meeting in each financial year, to be held within six months (or such other period as may be permitted by the Listing Rules or the Stock Exchange) after the end of such financial year. The annual general meeting shall be specified as such in the notices calling it.

The board of Directors may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at 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 Company which carry the right of voting 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 Directors do not within one month from the date of deposit of the requisition proceed duly to convene the meeting to be held within one further month, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors 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 Directors shall be reimbursed to them by the Company.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Act.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Act or any other relevant law or regulation or as authorized by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

2.10 Auditors

The Company shall at every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal

of an auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed by ordinary resolution, provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.11 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place (which, in the case of a Virtual Meeting, includes a virtual place), and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place (whether physical or virtual) specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place (whether physical or virtual).

The Directors also have the power to provide in every notice calling a general meeting that in the event of a gale warning or a black rainstorm warning is in force at any time on the day of the general meeting (unless such warning is canceled at least a minimum period of time prior to the general meeting as the Directors may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

- (a) the Company shall endeavor to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, but failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning or black rainstorm warning being in force on the day of the general meeting;

- (b) the Directors shall fix the date, time and place (whether physical or virtual) for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting; and such notice shall specify the date, time and place (whether physical or virtual) at which the postponed meeting will be reconvened and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and
- (c) only the business set out in the notice of the original meeting shall be transacted at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be transacted at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where new business is to be transacted at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles of Association.

2.12 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate (if any) for the shares to which it relates (which shall upon the registration of the transfer be canceled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favor of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.13 Power of the Company to purchase its own shares

The Company is empowered by the Companies Act and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and any such purchase shall only be made in accordance with any relevant code, rules or regulations issued by the Stock Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.

2.14 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.15 Dividends and other methods of distribution

Subject to the Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) 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. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, installments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by wire transfer to the holder or by check or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every check or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such check or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such checks for dividend entitlements or dividend warrants by post if such checks or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending wire transfers or checks for dividend entitlements or dividend warrants after the first occasion on which such a wire transfer, check or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.16 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favor of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorized in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place or in such other manner (including by electronic means) as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.17 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by installments and shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and installments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or installment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or installment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.18 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the

Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

2.19 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairperson which shall not be treated as part of the business of the meeting.

Two members of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.20 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.21 Procedure on liquidation

Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he

deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Act, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.22 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all checks or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Act is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Act and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on November 5, 2019 under the Companies Act. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorized share capital.

3 Share Capital

The Companies Act permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the “share premium account”. At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancelation of shares in any other company and issued at a premium. The Companies Act provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Act);
- (d) writing-off the preliminary expenses of the company;
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorized either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares.

Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 Accounting and Auditing Requirements

The Companies Act requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 Special Resolutions

The Companies Act provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorized by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Act does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (a) 75% in value of shareholders, or (b) a majority in number representing 75% in value of creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Restructuring

A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

- (a) is or is likely to become unable to pay its debts; and
- (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

18 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

19 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

20 Taxation

Pursuant to section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of the Company; or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (As Revised).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

21 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

22 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarizing aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is on display on the websites as referred to in the section headed "Documents Delivered to the Registrar of Companies and Available on Display—Documents Available on Display" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation**

Our Company was incorporated under the laws of the Cayman Islands on November 5, 2019 as an exempted company with limited liability. Upon our incorporation, our authorized share capital was US\$50,000 divided into 5,000,000 shares of a nominal value of US\$0.01. Pursuant to a shareholders' resolution passed on May 19, 2020, a share subdivision of our Company has been approved. Each share in our then issued and unissued share capital was split into 20,000 shares with a par value of US\$0.0000005 each.

Our registered office address is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in Appendix III to this document.

Our registered place of business in Hong Kong is at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 5, 2023 with the Registrar of Companies in Hong Kong. Ming King Chiu has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

2. Changes in share capital of our Company

Save as disclosed in the section headed “—Resolutions of our Shareholders dated November 27, 2025” below, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3. Changes in the share capital of members of our Group

The following sets out the changes in the share or registered capital of members of our Group within the two years immediately preceding the date of this document:

- (a) On January 10, 2024, Shenzhen JINGDONG Industrial Digital Intelligence Supply Chain Co., Ltd. (深圳京東工業數智供應鏈有限公司) was established with a registered capital of RMB20,000,000.
- (b) On January 23, 2024, JINGDONG INDUSTRIALS (THAILAND) CO., LTD. was incorporated with a registered capital of 100,000,000 Thai bahts.
- (c) On January 25, 2024, Jingdong Industrials Holding Ltd. was incorporated with a registered capital of USD50,000.
- (d) On January 25, 2024, Jingdong Industrials Investment Ltd. was incorporated with a registered capital of USD50,000.
- (e) On March 22, 2024, JINGDONG INDUSTRIALS PTE. LTD. was incorporated with a registered capital of 2,000 Singapore dollars.

- (f) On June 4, 2024, JINGDONG INDUSTRIALS SUPPLY CHAIN (VIETNAM) COMPANY LIMITED was incorporated with a registered capital of USD1,000,000.
- (g) On July 22, 2024, JINGDONG INDUSTRIALS MALAYSIA SDN. BHD. was incorporated with a registered capital of 100 Malaysian ringgits.
- (h) On July 24, 2024, Jingdong Industrials Hungary Kft. was incorporated with a registered capital of 1,000,000 Euro.
- (i) On July 26, 2024, JINGDONG INDUSTRIALS DO BRASIL LTDA was incorporated with a registered capital of 5,393,000 Brazilian reais.
- (j) On August 22, 2024, the registered capital of Beihai JINGDONG Industrial Technology Co., Ltd. (北海京東工業技術有限公司) was reduced from RMB20,000,000 to RMB100,000.
- (k) On September 5, 2024, JINGDONG INDUSTRIALS IRELAND LIMITED was incorporated with a registered capital of 100 Euro.
- (l) On September 5, 2024, the registered capital of Beijing JINGDONG Boyan Information Technology Co., Ltd. (北京京東博延信息技術有限公司) was reduced from RMB10,000,000 to RMB2,000,000.
- (m) On September 20, 2024, PT JINGDONG INDUSTRIALS INDONESIA was incorporated with a registered capital of 10,000,000,000 Indonesian rupiahs.
- (n) On October 2, 2024, the registered capital of JINGDONG INDUSTRIALS MALAYSIA SDN. BHD. was increased from 100 to 3,500,000 Malaysian ringgits.
- (o) On October 10, 2024, the registered capital of Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) was reduced from RMB1,000,000 to RMB100,000.
- (p) On October 18, 2024, the registered capital of Suzhou Gongpinhui Software Technology Co., Ltd. (蘇州工品匯軟件技術有限公司) was reduced from RMB10,000,000 to RMB5,000,000.
- (q) On November 6, 2024, the registered capital of Guangxi JINGDONG Yangqi E-Commerce Co., Ltd. (廣西京東揚啟電子商務有限公司) was reduced from RMB2,000,000 to RMB100,000.
- (r) On November 7, 2024, the registered capital of Shanghai JINGDONG Shangpin Trading Co., Ltd. (上海京東尚品貿易有限公司) was reduced from RMB10,000,000 to RMB1,000,000.
- (s) On December 11, 2024, the registered capital of Beijing JINGDONG Digital Intelligence Energy Technology Co., Ltd. (北京京東數智能源科技有限公司) was reduced from RMB20,000,000 to RMB100,000.
- (t) On December 25, 2024, the registered capital of Shenzhen JINGDONG Industrial Digital Intelligence Supply Chain Co., Ltd. (深圳京東工業數智供應鏈有限公司) was reduced from RMB20,000,000 to RMB10,000,000.

- (u) On April 11, 2025, the registered capital of JINGDONG INDUSTRIALS SUPPLY CHAIN (VIETNAM) COMPANY LIMITED was increased from USD1,000,000 to USD4,800,000.
- (v) On April 16, 2025, the registered capital of JINGDONG INDUSTRIALS MALAYSIA SDN. BHD. was increased from 3,500,000 Malaysian ringgits to 7,910,300 Malaysian ringgits.
- (w) On June 18, 2025, the registered capital of PT JINGDONG INDUSTRIALS INDONESIA was increased from 10,000,000,000 Indonesian rupiahs to 67,300,000,000 Indonesian rupiahs.
- (x) On July 15, 2025, the registered capital of JINGDONG INDUSTRIALS DO BRASIL LTDA was increased from 5,393,000 Brazilian reais to 10,171,445 Brazilian reais. On August 18, 2025, the registered capital of JINGDONG INDUSTRIALS DO BRASIL LTDA was further increased into 12,655,000 Brazilian reais.
- (y) On September 15, 2025, Jingdong Industrials Company was incorporated with a registered capital of 30,000,000 Saudi riyals.
- (z) On September 18, 2025, JINGDONG INDPOWER GENERAL TRADING L.L.C S.O.C was incorporated with a registered capital of 100,000 United Arab Emirates Dirhams.

Save as disclosed above, there has been no alteration in the share capital of any member of our Group within the two years immediately preceding the date of this document.

4. Resolutions of our Shareholders dated November 27, 2025

Resolutions of our Shareholders were passed on November 27, 2025, pursuant to which, among others, conditional upon the conditions of the Global Offering (as set out in this document) being fulfilled:

- (a) the Memorandum and the Articles were approved and adopted effective conditional on and immediately prior to the Listing on the Listing Date;
- (b) the Global Offering, Listing and Over-allotment Option were approved, and our Directors were authorized to negotiate and agree the Offer Price and to allot and issue the Offer Shares (including pursuant to the Over-allotment Option);
- (c) a general mandate (the “**Sale Mandate**”) was granted to our Directors to allot, issue and deal with any Shares or securities convertible into Shares (including the resale or transfer of treasury shares by our Company) and to make or grant offers, agreements or options which would or might require Shares to be allotted, issued or dealt with, provided that the number of Shares so allotted, issued or dealt with or agreed to be allotted, issued or dealt with by our Directors, shall not exceed 20% of the total number of Shares in issue immediately following the completion of Global Offering and the Conversion Adjustment;
- (d) a general mandate (the “**Repurchase Mandate**”) was granted to our Directors to repurchase our own Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the total number of Shares in issue immediately following completion of the Global Offering and the Conversion Adjustment;

- (e) the Sale Mandate was extended by the addition to the total number of Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of the Shares purchased by our Company pursuant to the Repurchase Mandate, provided that such extended amount shall not exceed 10% of the total number of the Shares in issue immediately following completion of the Global Offering and the Conversion Adjustment;
- (f) all of the authorized Preference Shares (including all the then existed issued and outstanding Preference Shares) be re-designated and re-classified into ordinary Shares of our Company each with effect from Listing Date; and
- (g) the Post-IPO First Share Scheme was approved and adopted with effect from the Listing Date and our Directors were authorized to make such changes to the Post-IPO First Share Scheme as may be required by the Stock Exchange and/or which they deem necessary and/or desirable and to grant options and/or awards thereunder (as applicable) and to allot, issue and deal with Shares pursuant thereto, and to take all such actions as they consider necessary and/or desirable to implement or give effect to the Post-IPO First Share Scheme.

Each of the general mandates referred to above will remain in effect until the earliest of:

- the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;
- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and the articles of association of our Company; and
- the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority.

5. Explanatory statement on repurchase of our own securities

The following summarizes restrictions imposed by the Listing Rules on share repurchases by a company listed on the Stock Exchange and provides further information about the repurchase of our own securities.

Shareholders' approval

A listed company whose primary listing is on the Stock Exchange may only purchase its shares on the Stock Exchange, either directly or indirectly, if: (i) the shares proposed to be purchased are fully-paid up, and (ii) its shareholders have given a specific approval or general mandate by way of an ordinary resolution of shareholders.

Size of mandate

The exercise in full of the Repurchase Mandate, on the basis of 2,687,570,231 Shares in issue immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and excluding the share to be issued under the Share Incentive Plans) and the Conversion Adjustment, could accordingly result in up to approximately 268,757,023 Shares being repurchased by our Company.

The total number of shares which a listed company may repurchase on the Stock Exchange may not exceed 10% of the number of issued shares (excluding any treasury shares) as at the date of the shareholder approval.

Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

Source of funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands.

Our Company shall not purchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

As a matter of Cayman Islands law, the par value of any Shares purchased by us may be made out of profits or out of the proceeds of a fresh issue of shares made for the purpose of the purchase or, if authorized by its Memorandum and Articles of Association and subject to the Cayman Companies Act, out of capital. Any premium payable on the purchase over the par value of the Shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or, if authorized by its Memorandum and Articles of Association and subject to the Cayman Companies Act, out of capital.

Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of 30 days immediately preceding the earlier of: (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

Trading restrictions

As noted above, the number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the number of shares in issue (excluding treasury shares) as at the date of the shareholder approval. Our Company may not

issue Shares, sell or transfer treasury shares, or announce a proposed issue of Shares, or a sale or transfer of any treasury shares for a period of 30 days immediately following a repurchase of Shares without the prior approval of the Stock Exchange. Such restriction does not apply to (i) a new issue of Shares, or a sale or transfer of treasury shares under capitalization issue; (ii) a grant of share awards or options under a share scheme that complies with Chapter 17 of the Listing Rules or a new issue of Shares or a transfer of treasury shares upon vesting or exercise of shares awards or options under the share scheme that complies with Chapter 17 of the Listing Rules; and (iii) a new issue of Shares or a transfer of treasury shares pursuant to the exercise of warrants, share options or similar instruments requiring our Company to issue Shares or transfer treasury shares, which were outstanding prior to the purchase of its own Shares.

A listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

A listed company may not repurchase its shares if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

Status of repurchased Shares

Our Company may cancel any repurchased Shares (upon which the certificates for such shares must be cancelled and destroyed) and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances. Shareholders and potential investors should pay attention to any announcement to be published by us in the future, including but without limitation, any next day disclosure return (which shall identify, amongst others, the number of repurchased Shares that are to be held as treasury shares or cancelled upon settlement of such repurchases).

The listing status of all Shares which are held as treasury shares will be retained. Our Company will ensure that treasury shares are appropriately identified and segregated. For any treasury shares deposited with CCASS pending resale on the Stock Exchange, our Company will ensure that it would not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the relevant laws if those shares were registered in our Company's own name as treasury shares by, including but not limited to, obtaining an approval by the board of our Company that (i) our Company should procure its broker not to give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS; and (ii) in the case of dividends or distributions, our Company should withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions.

The listing status of all Shares which are purchased by our Company (whether on the Stock Exchange or otherwise) but not held as treasury shares shall be automatically cancelled upon repurchase. Our Company shall ensure that the documents of title of these repurchased Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates have a present intention, in the event the Repurchase Mandate is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the Repurchase Mandate is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

General

If the Repurchase Mandate were to be carried out in full at any time, there may be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse effect on our working capital or gearing position.

Our Directors will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands. Our Directors confirm that to the best of their knowledge and belief, neither this explanatory statement for the Repurchase Mandate nor the proposed share repurchase has any unusual features.

We have not made any repurchases of our Shares in the previous six months.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of material contracts**

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this document that are or may be material:

- (a) a cornerstone investment agreement dated December 1, 2025 entered into among the Company, M&G ASIAN FUND, M&G ASIAN (LUX) FUND, THE PRUDENTIAL

ASSURANCE COMPANY LIMITED, M&G FUNDS (1) ASIA PACIFIC (EX JAPAN) EQUITY FUND, M&G (ACS) CHINA FUND, DNA - M&G (LUX) DYNAMIC ALLOCATION FUND, M&G CHINA FUND, M&G (LUX) CHINA FUND and M&G GLOBAL EMERGING MARKETS FUND (collectively, the “**M&G Investors**”), Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C., Haitong International Capital Limited, Haitong International Securities Company Limited, UBS AG Hong Kong Branch, UBS Securities Hong Kong Limited and Huatai Financial Holdings (Hong Kong) Limited, pursuant to which M&G Investors agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$85,000,000 in accordance with the terms of the cornerstone investment agreement;

- (b) a cornerstone investment agreement dated December 1, 2025 entered into among the Company, CPE Elm Investment Limited, Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C., Haitong International Capital Limited, Haitong International Securities Company Limited, UBS AG Hong Kong Branch, UBS Securities Hong Kong Limited and Huatai Financial Holdings (Hong Kong) Limited, pursuant to which CPE Elm Investment Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$30,000,000 in accordance with the terms of the cornerstone investment agreement;
- (c) a cornerstone investment agreement dated December 1, 2025 entered into among the Company, Anatole Investment Management Limited, Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C., Haitong International Capital Limited, Haitong International Securities Company Limited, UBS AG Hong Kong Branch, UBS Securities Hong Kong Limited and Huatai Financial Holdings (Hong Kong) Limited, pursuant to which Anatole Investment Management Limited agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$20,000,000 in accordance with the terms of the cornerstone investment agreement;
- (d) a cornerstone investment agreement dated December 1, 2025 entered into among the Company, IvyRock Asset Management (HK) Limited, Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C., Haitong International Capital Limited, Haitong International Securities Company Limited, UBS AG Hong Kong Branch, UBS Securities Hong Kong Limited and Huatai Financial Holdings (Hong Kong) Limited, pursuant to which IvyRock Asset Management (HK) Limited (in its capacity as the discretionary investment/asset manager for and on behalf of the investors as set forth in Schedule 3) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$15,000,000 in accordance with the terms of the cornerstone investment agreement;
- (e) a cornerstone investment agreement dated December 1, 2025 entered into among the Company, CoreView Capital Management Limited, Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C., Haitong International Capital Limited, Haitong International Securities Company Limited, UBS AG Hong Kong Branch, UBS Securities Hong Kong Limited and Huatai Financial Holdings (Hong Kong) Limited, pursuant to which CoreView Capital Management Limited (as the investment manager for and on behalf of CoreView Master Fund Limited) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$10,000,000 in accordance with the terms of the cornerstone investment agreement;

- (f) a cornerstone investment agreement dated December 1, 2025 entered into among the Company, Schonfeld Strategic Advisors (Hong Kong) Limited, Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C., Haitong International Capital Limited, Haitong International Securities Company Limited, UBS AG Hong Kong Branch, UBS Securities Hong Kong Limited and Huatai Financial Holdings (Hong Kong) Limited, pursuant to which Schonfeld Strategic Advisors (Hong Kong) Limited (acting in its capacity as sub-delegated investment manager for and on behalf of Schonfeld IR Master Fund Pte. Ltd. and Schonfeld Global Master Fund L.P.) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000 in accordance with the terms of the cornerstone investment agreement;
- (g) a cornerstone investment agreement dated December 1, 2025 entered into among the Company, Burkehill Global Management, LP, Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C., Haitong International Capital Limited, Haitong International Securities Company Limited, UBS AG Hong Kong Branch, UBS Securities Hong Kong Limited and Huatai Financial Holdings (Hong Kong) Limited, pursuant to which Burkehill Global Management, LP (as the investment manager for and on behalf of the investors listed in Schedule 3) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$5,000,000 in accordance with the terms of the cornerstone investment agreement; and
- (h) the Hong Kong Underwriting Agreement.

2. Intellectual property rights

Save as disclosed below, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights, or industrial property rights which are or may be material in relation to our business.

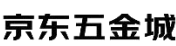
Trademarks registered in China

As at the Latest Practicable Date, we (including through JD Group) had registered the following trademarks in China which we consider to be or may be material to our business:

No.	Trademark	Registered owner	Place of registration	Class	Registered number	Registration date
1.	京东工业品	Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	China	35	42481461	July 28, 2020
2.	JDi 京东工业	Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	China	35	56442780	July 14, 2022
3.	京东工业	Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	China	35	46064318	April 7, 2021
4.	惠眾	Beijing JINGDONG Industrial Products Trading Co., Ltd. (北京京東工業品貿易有限公司)	China	09	60081481	April 21, 2022
5.	惠眾	Beijing JINGDONG Industrial Products Trading Co., Ltd. (北京京東工業品貿易有限公司)	China	06	60078354	April 14, 2022

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Trademark	Registered owner	Place of registration	Class	Registered number	Registration date
6.		Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	China	9	75506479	May 7, 2024
7.		Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	China	42	75508688	May 7, 2024
8.		Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	China	35	68404577	October 7, 2023

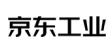
Trademarks applications pending in China

As at the Latest Practicable Date, we (including through JD Group) had applied for the registration of the following trademarks in China which we consider to be or may be material to our business:

No.	Trademark	Applicant	Class	Applicant number	Application date
1.		Beijing JINGDONG Industrial Products Trading Co., Ltd. (北京京東工業品貿易有限公司)	6, 8, 9	84364035 84361122 84376930	March 28, 2025
2.		Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	9, 42	85416658 85395707	May 20, 2025

Trademarks registered in Hong Kong

As at the Latest Practicable Date, we (including through JD Group) had registered the following trademarks in Hong Kong which we consider to be or may be material to our business:

No.	Trademark	Registered owner	Place of registration	Class	Registered number	Registration date
1.		Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	Hong Kong	5, 9, 10, 25, 35, 39, 42	305275459	April 19, 2021
2.		Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	Hong Kong	9, 35, 37, 39, 40, 42	306178069	July 4, 2023

Trademarks applications pending in Hong Kong

As at the Latest Practicable Date, we (including through JD Group) had applied for the registration of the following trademarks in Hong Kong which we consider to be or may be material to our business:

No.	Trademark	Applicant	Class	Application number	Application date
1.		Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	9, 35, 37, 39, 40, 42	306178078	February 27, 2023

Copyrights

As at the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Version	Registered number	Registration date
1.	JINGDONG Gongpin Youxuan Mall Software (iOS Version) (京東工品優選商城iOS版軟件)	V1.0	2021SRE004518	March 3, 2021
2.	JINGDONG Gongpin Youxuan Mall Software (Android Version) (京東工品優選商城安卓版軟件)	V1.0	2021SRE004504	March 3, 2021
3.	JINGDONG Gongpinhui Mobile Client Software (iOS Version) (京東工品匯手機客戶端軟件(iOS版))	V2.35.1	2020SRE021419	November 24, 2020
4.	JINGDONG Gongpinhui Mobile Client Software (Android Version) (京東工品匯手機客戶端軟件(Android版))	V2.34.8	2020SRE017139	October 15, 2020
5.	JINGDONG Industrials Internet Platform (京東工業互聯網平台)	V1.0	2022SR0374610	March 22, 2022
6.	JINGDONG Industrials IoT Platform (京東工業物聯網平台)	V1.0	2022SR0374604	March 22, 2022
7.	B2B Large-scale Customer E-commerce System for ISP Industrial Products (工採工業品B2B大型客戶電子商務系統)	V2.1.0	2022SR0374608	March 22, 2022
8.	JINGDONG Digital-Intelligent Energy Management Platform (Enterprise Edition) (京東數智能源管理平台(企業版))	V1.0	2022SR0376401	March 22, 2022
9.	Electrolytic Digital-Intelligent Procurement Sourcing Management System (電解智數智化採購尋源管理系統)	1	2021SR1836649	November 22, 2021
10.	JINGDONG Jingcaiyun B2B2B Platform (京東京采雲B2B2B系統)	V1.0	2021SR0519327	April 9, 2021
11.	Procurement Brain System (採購大腦系統)	V2.0	2021SR0519279	April 9, 2021
12.	Government Integrated Procurement Platform Smart Shopping-Guide System (政府綜合採購平台智能導購系統)	V1.0	2020SR0076317	January 15, 2020
13.	Jingcaiyun Intelligent Commodity Inspection System (京采雲商品智能檢測系統)	V1.0	2022SR1619240	December 28, 2022
14.	Jingqing Huiyan App (京擎慧眼APP軟件)	V1.0	2022SR1547674	November 18, 2022
15.	Jingqing Interconnected Big Data Platform (京擎互聯大數據平台)	V1.0	2022SR1494858	November 11, 2022
16.	JINGDONG ISP Industrial Products Procurement SaaS Platform (京東工采工業品採購SaaS平台)	V2.1.0	2023SR0244363	February 15, 2023
17.	Jingcaiyun Procurement Management System (京采雲採購管理系統)	V1.0	2023SR0220238	February 9, 2023
18.	Gongpinhui Procurement Mall Software (PC Version) (工品匯採購商城PC版軟件)	V1.0	2018SR152807	March 8, 2018
19.	JINGDONG Gongpinhui Mobile Client Software (HarmonyOS Version) (京東工品匯手機客戶端軟件(鴻蒙版))	V1.0	2025SR0386281	March 5, 2025

Patents

As at the Latest Practicable Date, we had registered the following patents in the PRC which we consider to be or may be material to our business:

No.	Patent	Patent category	Registered owner	Patent number	Application date	Term	Grant announcement date
1.	Method and apparatus for recommending products to enterprise users	Invention	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京电解智科技有限公司)	ZL202110083712.4	January 21, 2021	20 years	July 5, 2022
2.	Method and apparatus for generating information	Invention	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京电解智科技有限公司)	ZL202110232888.1	March 3, 2021	20 years	December 2, 2022
3.	Information extraction method, device and computer readable storage medium	Invention	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京电解智科技有限公司)	ZL202210209773.5	March 3, 2022	20 years	August 20, 2024
4.	Inventory preparation processing method and apparatus, computer storage medium, and electronic device	Invention	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京电解智科技有限公司)	ZL202011355597.3	November 26, 2020	20 years	August 22, 2025
5.	Audio and video call adjustment method, adjustment apparatus, AR device, and storage medium	Invention	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京東電解智 科技有限公司)	ZL202311266472.7	September 27, 2023	20 years	September 12, 2025

As at the Latest Practicable Date, we (including through JD Group) had applied for the registration of the following patents in the PRC which we consider to be or may be material to our business:

No.	Patent	Applicant	Application number	Application date
1.	Human-computer interaction method and related devices based on mixed-reality technology	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202411670124.0	November 20, 2024
2.	A data processing method, apparatus, electronic device, storage medium and product	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202510206294.1	February 24, 2025
3.	Question and answer information processing method, apparatus, electronic device and readable medium	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202311744547.8	December 18, 2023
4.	Call interruption processing method, processing apparatus, AR device and storage medium	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202311264755.8	September 27, 2023
5.	Electronic manual implementation method, apparatus, electronic device and readable medium	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202311265953.6	September 27, 2023
6.	A voice-instruction execution method, apparatus and system	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202411687530.8	November 22, 2024
7.	A recognition method, apparatus, and program product for required items	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202410269122.4	March 8, 2024
8.	Training method for object knowledge graph, object recommendation method and apparatus	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202311321724.1	October 12, 2023
9.	Text recognition method, apparatus, electronic device and readable medium	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202311435311.6	October 31, 2023
10.	A data processing method and apparatus	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202410190388.X	February 20, 2024
11.	An article attribute alignment method and apparatus	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京东电解智科技有限公司)	202410190664.2	February 20, 2024

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Patent	Applicant	Application number	Application date
12.	Vertical search method, apparatus, and system for purchase scenario	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京電解智科技有限公司)	202210374252.5	April 11, 2022
13.	Information processing method, device, electronic device and storage medium	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京電解智科技有限公司)	202210394214.6	April 14, 2022
14.	Business data processing method, apparatus, electronic device, and storage medium	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京電解智科技有限公司)	202210348738.1	April 1, 2022
15.	Delivery order processing method, apparatus, electronic device, and storage medium	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京電解智科技有限公司)	202210450435.0	April 26, 2022
16.	Procurement behavior monitoring method, apparatus, and electronic device	Beijing Electrolysis Intelligence Technology Co., Ltd. (北京電解智科技有限公司)	202110080992.3	January 21, 2021

Domain names

As at the Latest Practicable Date, we (including through JD Group) owned the following domain names which we consider to be or may be material to our business:

No.	Domain name	Registered owner	Expiry date
1.	mro.jd.com	Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	March 8, 2029
2.	isp.jd.com	Beijing Jingdong 360 Du E-Commerce Ltd. (北京京東叁佰陸拾度電子商務有限公司)	March 8, 2029
3.	cailt.com.cn	Beijing JINGDONG Electrolysis Intelligence Technology Co., Ltd. (北京京東電解智科技有限公司)	February 8, 2029
4.	vipmro.com	Suzhou JINGDONG Gongpinhui Information Technology Co., Ltd. (蘇州京東工品匯信息科技有限公司)	December 31, 2028
5.	<u>jingdongindustrials.com</u>	Beijing JINGDONG Industrial Products Trading Co., Ltd. (北京京東工業品貿易有限公司)	September 1, 2026

3. Summary of the Contractual Arrangements

As described in the section headed “Contractual Arrangements”, our Company or its Major Subsidiaries entered into the following contracts in relation to the Contractual Arrangements that are material to our Group:

- (a) an exclusive business cooperation agreement entered into between Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) and Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司) on March 30, 2023, pursuant to which Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司) agreed to engage Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) as its exclusive provider of business support, technical and consulting services;

- (b) an exclusive option agreement entered into among Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司), Qin Miao (繆欽), Yayun Li (李姪雲) and Pang Zhang (張雱), and Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司) on March 30, 2023, pursuant to which Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) (for itself or its designated party) is granted an irrevocable and exclusive option to purchase all or part of the equity interest in and assets of Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司) 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;
- (c) a loan agreement entered into among Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) and Qin Miao (繆欽), Yayun Li (李姪雲) and Pang Zhang (張雱) on March 30, 2023, pursuant to which Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) agreed to provide loans in an aggregate amount of RMB10,000,000 to Qin Miao (繆欽), Yayun Li (李姪雲) and Pang Zhang (張雱), of which RMB4,500,000 to Qin Miao (繆欽), RMB3,000,000 to Yayun Li (李姪雲) and RMB2,500,000 to Pang Zhang (張雱), to be used exclusively to contribute to the registered capital of and/or to purchase the equity interests in Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司);
- (d) a shareholder's rights entrustment agreement entered into among Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司), Qin Miao (繆欽), Yayun Li (李姪雲) and Pang Zhang (張雱), and Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司) on March 30, 2023, and an exclusive and irrevocable power of attorney executed by each of Qin Miao (繆欽), Yayun Li (李姪雲) and Pang Zhang (張雱) dated March 30, 2023, whereby Qin Miao (繆欽), Yayun Li (李姪雲) and Pang Zhang (張雱) appointed Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) or its designated persons (including director(s) nominated by the board of directors of its offshore holding company, a liquidator or other successor exercising the rights of such director(s)) to exercise all of the rights as the registered shareholders of Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司); and
- (e) a share pledge agreement entered into among Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司), Qin Miao (繆欽), Yayun Li (李姪雲) and Pang Zhang (張雱), and Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司) on March 30, 2023, pursuant to which Qin Miao (繆欽), Yayun Li (李姪雲) and Pang Zhang (張雱) agreed to pledge all of their respective equity interests in Jiangsu Jucheng Space Technology Co., Ltd. (江蘇聚成空間科技有限公司) to Suqian JINGDONG Baoying Information Technology Co., Ltd. (宿遷京東寶盈信息技術有限公司) as a first priority charge.

These contracts are made available on our Company's website at jingdongindustrials.com pursuant to the requirements of Chapter 4.1 of the Guide for New Listing Applicants issued by the Stock Exchange.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS**1. Particulars of Directors' service contracts and appointment letters*****Executive Directors***

Our executive Director entered into a service contract with our Company on November 28, 2025. The term of appointment shall be for an initial term of three years from the Listing Date or until the third annual general meeting of our Company after the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

The executive Director is not entitled to receive any remuneration in his capacity as executive Director under his service contract (save for certain share-based compensation from time to time).

Non-executive Directors

Each of our non-executive Directors entered into an appointment letter with our Company on November 28, 2025. The term of appointment shall be for an initial term of three years from the Listing Date or until the third annual general meeting of our Company after the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

The non-executive Directors are not entitled to receive any remuneration and benefits in their capacities as non-executive Directors under their respective appointment letters (save for certain share-based compensation from time to time).

Independent non-executive Directors

Each of our independent non-executive Directors entered into an appointment letter with our Company on November 28, 2025. The term of appointment shall be for an initial term of three years from the Listing Date or until the third annual general meeting of our Company after the Listing Date, whichever is sooner (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

The annual director's fees of our independent non-executive Directors (namely, Hanhui Sam Sun, Xin Tang and Po Fong Nancy Ku) payable by us under their respective appointment letters is RMB338,000 in cash and the directors are eligible for options and/or awards under the rules of the share scheme(s) adopted and/or to be adopted by the Company from time to time and subject to the applicable vesting conditions.

2. Remuneration of Directors

- (a) Save as disclosed in this document, none of our Directors has or is proposed to have a service contract with any member of our Group other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).
- (b) The aggregate amount of remuneration paid and benefits in kind granted to our Directors by our Group in respect of the year ended December 31, 2024 was approximately RMB12.5 million.

- (c) Under the arrangements currently in force, we estimate that the aggregate remuneration (excluding any discretionary bonus which may be paid) payable to, and benefits in kind receivable by, our Directors by any member of our Group in respect of the year ending December 31, 2025 is approximately RMB7.0 million.

3. Disclosure of interests

(i) Interests and short positions of our Directors in the share capital of our Company or our associated corporations following completion of the Global Offering

Immediately following completion of the Global Offering (without taking into account of, as applicable, (i) any change to the share capital of JD.com since the Latest Practicable Date up until completion of the Global Offering; and (ii) any dealings in the securities of JD.com by the Directors since the Latest Practicable Date up until completion of the Global Offering), the interests or short positions of our Directors and chief executives in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the ‘Model Code for Securities Transactions by Directors of Listed Issuers’ contained in the Listing Rules, to be notified to our Company and the Stock Exchange are set out below:

Interest in our Company

<u>Name of director</u>	<u>Nature of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of interest in our Company immediately after the Global Offering and the Conversion Adjustment ⁽¹⁾</u>
Chunzheng Song	Beneficial owner	3,663,526 ⁽²⁾	0.14%
Richard Qiangdong Liu	Interest in controlled corporations; Founder of a discretionary trust	2,036,270,230 ⁽³⁾	75.77%

Notes:

- (1) The calculation is based on the total number of 2,687,570,231 Shares in issue immediately after completion of the Global Offering and the Conversion Adjustment (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Share Incentive Plans).
- (2) These interests represent Mr. Song’s entitlement to receive up to 3,663,526 Shares of the Company pursuant to the exercise of options granted to him under the Pre-IPO ESOP.
- (3) These interests comprise of (i) 1,906,574,307 ordinary shares of the Company directly held by JD Industrial Technology Limited which is wholly-owned by JD.com, (ii) 90,629,636 ordinary shares of the Company held through Max I&P Limited, a holding vehicle controlled by Mr. Richard Qiangdong Liu (who is its sole director and the settlor of the trust holding all of its issued share capital), for the shares awards already vested to him pursuant to the Pre-IPO ESOP, (iii) 1,418,440 ordinary shares of the Company 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 the Latest Practicable Date, Mr. Liu is interested in approximately 72.4% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings—further details of which are set out in the section headed “Relationship with our Controlling Shareholders.”

Interest in our associated corporations

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 the Latest Practicable Date.

The calculations in the table below are based on 2,816,702,141 ordinary shares of JD. com outstanding as of Latest Practicable Date, comprising of (i) 2,494,872,065 Class A ordinary shares (excluding 163,803,926 Class A ordinary shares, which consisted of shares issued to JD.com's depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under JD.com's share incentive plans and shares repurchased but not yet cancelled), and (ii) 321,830,076 Class B ordinary shares.

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 associate 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.

	Ordinary Shares Beneficially Owned*				
	Class A Ordinary Shares	Class B Ordinary Shares	Total Ordinary Shares	% of Beneficial Ownership	% of Aggregate Voting Power†
Directors and Executive Officers:					
Richard Qiangdong Liu	39,974,550 ⁽¹⁾	305,630,780 ⁽¹⁾	345,605,330 ⁽¹⁾	12.2% ⁽¹⁾	72.4% ⁽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. Each holder of Class A ordinary shares is entitled to one vote per share and each holder of the Class B ordinary shares is entitled to 20 votes per share on all matters submitted to them for a vote. JD.com's Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of JD Shareholders and other matters as may otherwise be required by law. Each Class B ordinary share is convertible at any time by the holder thereof into one Class A ordinary share.

* 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) 305,630,780 Class B ordinary shares held by Max Smart Limited, (ii) 11,487,275 American Depositary Shares (each representing two Class A ordinary shares), representing 22,974,550 Class A ordinary shares, held by Max Smart Limited and (iii) 17,000,000 Class A ordinary shares that Mr. Richard Qiangdong Liu had the right to acquire upon exercise of options that shall have become vested within 60 days after the Latest Practicable Date. As of the Latest Practicable Date, Mr. Richard Qiangdong Liu has not exercised his right to acquire such Class A ordinary shares. Max Smart Limited is a British Virgin Islands company beneficially owned by Mr. Richard Qiangdong Liu through a trust and of which Mr. Richard Qiangdong Liu is the sole director. The ordinary shares beneficially owned by Mr. Richard Qiangdong Liu do not include 16,199,296 Class B ordinary shares held by Fortune Rising Holdings Limited, a British Virgin Islands company, as described in footnote (2) below.
- (2) The aggregate voting power includes the voting power with respect to the 16,199,296 Class B ordinary shares held by Fortune Rising Holdings Limited. Mr. Richard Qiangdong Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited and he may be deemed to beneficially own 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.
- (3) Fortune Rising Holdings Limited holds the 16,199,296 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 British Virgin Islands. Mr. Richard Qiangdong Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited.

The following table lists out the directors' or chief executives' interests in the other associated corporations:

Associated corporation	Name of director	Nature of interest	Number of shares	Interest in underlying shares of associated corporation
JD Health International Inc.	Richard Qiangdong Liu	Interest in controlled corporations; Beneficial owner	2,184,655,829 ⁽¹⁾	68.24%
JD Logistics, Inc.	Richard Qiangdong Liu	Interest in controlled corporations; Beneficial owner	4,291,457,805 ⁽²⁾	64.47%
JD.com	Chunzheng Song	Beneficial owner	90,630 ⁽³⁾	0.00%
JD Logistics, Inc.	Chunzheng Song	Beneficial owner	49,500 ⁽⁴⁾	0.00%
JD.com	Po Fong Nancy Ku	Beneficial owner	11,200 ⁽⁵⁾	0.00%

Notes:

- (1) These interests comprise of (i) 2,149,253,732 shares of JD Health International Inc. directly held by JD Jiankang Limited which is wholly-owned by JD.com, (ii) 26,561,676 shares of JD Health International Inc. directly held by Mr. Liu, and (iii) Mr. Liu's entitlement to receive up to 8,840,421 shares in JD Health International Inc. pursuant to the exercise of options granted to him. As of the Latest Practicable Date, Mr. Liu is interested in approximately 72.4% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings—further details of which are set out in the section headed "Relationship with our Controlling Shareholders."
- (2) These interests comprise of (i) 4,192,271,100 shares of JD Logistics, Inc. directly held by Jingdong Technology Group Corporation, which is wholly-owned by JD.com, (ii) 82,655,585 shares of JD Logistics, Inc. directly held by Mr. Liu, and (iii) Mr. Liu's entitlement to receive up to 16,531,120 shares in JD Logistics, Inc. pursuant to the exercise of options granted to him.
- (3) These interests comprise of (i) 69,794 shares of JD.com directly held by Mr. Song, and (ii) Mr. Song's entitlement to receive up to 20,836 underlying shares pursuant to the vest of RSUs granted to him.
- (4) These interests represent 49,500 shares of JD Logistics, Inc. directly held by Mr. Song.
- (5) These interests represent 11,200 shares of JD.com directly held by Ms. Ku.

(ii) Interests and short positions disclosable under Divisions 2 and 3 of Part XV of the SFO

For information, so far as is known to our Directors or chief executive, of each person, other than our Director or chief executive, who immediately following completion of the Global Offering will have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group, see "Substantial Shareholders."

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the Global Offering, be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital.

D. SHARE INCENTIVE PLANS

1. Pre-IPO ESOP

Summary

The following is a summary of the principal terms of the share incentive plan, or the Pre-IPO ESOP of the Company as approved and adopted by the Board on December 30, 2021, as amended from time to time. 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 upon our Listing.

(a) 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.

(b) Who may join

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 (the "**Participants**") to whom awards in the form of options ("**Options**"), restricted share awards ("**Restricted Shares**") and restricted share units ("**RSUs**") (collectively "**Awards**") shall be granted and will determine the nature and amount of each Award. No individual shall have any automatic right to be granted an Award pursuant to the Pre-IPO ESOP.

(c) Maximum number of Shares

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. As of the Latest Practicable Date, 104,019,195 Shares were available for issue under the Pre-IPO ESOP (including Shares that may be issued pursuant to outstanding Awards and Awards that may be further granted under the Pre-IPO ESOP).

In the event that the total number of Shares which have been reserved for under the Pre-IPO ESOP but have not been granted or are otherwise available for future grants under the Pre-IPO ESOP, as a percentage of the then total equity securities of the Company on a fully diluted basis (the "**Ungranted Awards Percentage**") is less than five percent (5%) (the "**Triggering Event**"), the number of Shares which may be issued under the Pre-IPO ESOP shall be increased by an amount equal to or (if such increase of such one percent (1%) will cause the Ungranted Awards Percentage to be higher than five percent (5%)) less than one percent (1%) of the then total equity securities of the Company on a fully diluted basis, immediately and in any event no later than the end of the year when the Triggering Event occurs and/or on January 1st for each year following the year in which the Triggering Event occurs, until the Ungranted Awards Percentage is equal to or higher than five percent (5%).

(d) Administration

The Pre-IPO ESOP shall be administered by the Board as a Committee or one or more members of the Board or others delegated by the Board as a Committee who has the authority to grant or amend Awards to Participants.

Subject to any specific designation in the Pre-IPO ESOP, the Committee has the exclusive power, authority and discretion to:

- (i) designate Participants to receive Awards;
- (ii) determine the type or types of Awards to be granted to each Participant;
- (iii) determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (iv) determine the terms and conditions of any Award granted pursuant to the Pre-IPO ESOP, including, without limitation, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (v) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards or other property, or an Award may be canceled, forfeited or surrendered;
- (vi) prescribe the form of each Award Agreement (as defined below), which need not be identical for each Participant;
- (vii) decide all other matters that must be determined in connection with an Award;
- (viii) establish, adopt or revise any rules and regulations as it may deem necessary or advisable to administer the Pre-IPO ESOP;
- (ix) interpret the terms of, and any matter arising pursuant to, the Pre-IPO ESOP or any Award Agreement; and
- (x) make all other decisions and determinations that may be required pursuant to the Pre-IPO ESOP or as the Committee deems necessary or advisable to administer the Pre-IPO ESOP.

(e) *Grant of Awards*

The Committee is authorized to grant Awards to Participants in accordance with the terms of the Pre-IPO ESOP. Awards granted will be evidenced by an agreement (“**Award Agreement**”) between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee. The Committee can determine the terms and conditions of the Award, including the grant or purchase price of Awards.

(f) *Terms of the Pre-IPO ESOP*

The Pre-IPO ESOP commenced on December 30, 2021 (the “**Effective Date**”) and will be 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.

(g) *Options*

- (i) Exercise of option

The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; provided that the term of any Option granted under the

Pre-IPO ESOP shall not exceed ten years, subject to a shareholder approval of extension of the exercise period for an option beyond ten years from the date of the grant. The Committee shall also determine conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(ii) 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.

(iii) Forfeiture

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service, Options that at that time have not vested shall be forfeited in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Option Award Agreement that forfeiture conditions relating to Options will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part forfeiture conditions relating to Options.

(iv) Expiration of incentive share options

An incentive share Option ("**Incentive Share Option**") under the Pre-IPO ESOP may not be exercised to any extent by anyone after the first to occur of the following events (i) ten (10) years from the date it is granted, unless an earlier time is set in the Award Agreement; (ii) three (3) months after the Participant's termination of employment as an employee; and (iii) one (1) year after the date of the Participant's termination of employment or service on account of disability or death. Upon the Participant's disability or death, any Incentive Share Options exercisable at the Participant's disability or death may be exercised by the Participant's legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant's last will and testament, or, if the Participant fails to make testamentary disposition of such Incentive Share Option or dies intestate, by the person or persons entitled to receive the Incentive Share Option pursuant to the applicable laws of descent and distribution.

(h) Restricted Shares

(i) Restriction

Restricted Shares shall be subject to such restrictions on transferability (excluding any transfer of Shares to nominees and/or trustees of any employee benefit trusts established for them) and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

(ii) Forfeiture and repurchase

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

(iii) Removal of restrictions

Unless the Committee determines otherwise, Restricted Shares granted shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the shares shall be freely transferable by the Participant, subject to applicable legal restrictions.

(i) *RSUs*

(i) Performance objectives and other terms

The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of RSUs that will be paid out to the Participants.

(ii) Form and timing of payment of RSUs

At the time of grant, the Committee shall specify the date or dates on which the RSUs shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay RSUs in the form of cash, in Shares or in a combination thereof.

(iii) Forfeiture and repurchase

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, RSUs that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any RSU Award Agreement that restrictions or forfeiture and repurchase conditions relating to RSUs will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to RSUs.

(j) *Limits on Transfer*

Except as otherwise provided by the Committee and excluding any transfer of Shares to nominees and/or trustees of any employee benefit trusts established for them, by applicable law, by the

Committee and by the Award Agreement, as the same may be amended, and subject to certain limited exceptions including any transfer of Shares to nominees and/or trustees of any employee benefit trusts established for them, all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; Awards will be exercised only by the Participant; and amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and in the case of the Shares registered in the name of, the Participant.

(k) Adjustments

In the event of any share dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the Shares or the price of a Share, the Committee shall make such proportionate adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Pre-IPO ESOP, (including, without limitation, adjustments of the limitations in paragraph 1(c) in this section); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Pre-IPO ESOP.

(l) Amendment, Cancellation and Termination

With the approval of the Board, at any time and from time to time, the Committee may terminate, cancel or modify the Pre-IPO ESOP, including but not limited to the situation that the Committee may cancel the Pre-IPO ESOP and adopt a new incentive plan in other forms in order to comply with the applicable laws of the initial public offering.

Except with respect to amendments made pursuant to the above, no termination, amendment or modification of the Pre-IPO ESOP shall adversely affect in any material way any Award previously granted pursuant to the Pre-IPO ESOP without the prior written consent of the Participant.

Outstanding Options granted

The grants of Options under the Pre-IPO ESOP to the grantees as set out below has been approved by the Board. The aggregate number of underlying Shares pursuant to the outstanding Options granted under the Pre-IPO ESOP is 44,909,843 Shares. Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and excluding the share to be issued under the Share Incentive Plans) and the Conversion Adjustment, the aggregate number of underlying Shares underlying all outstanding Options granted represents approximately 1.67% of the issued Shares immediately following the completion of the Global Offering. Assuming full vesting and exercise of all Options granted under the Pre-IPO ESOP, the shareholding of our Shareholders immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and excluding the share to be issued under the Share Incentive Plans) and the Conversion Adjustment will be diluted by approximately 1.64% and our earnings per Share will be diluted by approximately 1.64%.

As of the Latest Practicable Date, our Company has granted outstanding Options to 903 participants under the Pre-IPO ESOP, including Directors, senior management, other connected persons of the Company, and other employees of the Group and JD Group and its associates (as applicable). Save as disclosed above, there were no other Awards outstanding under the Pre-IPO ESOP as of the Latest Practicable Date. The Company will not grant further Awards under the Pre-IPO ESOP

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

The table below shows the details of the outstanding Options granted to the Directors, senior management and other connected persons of the Company under the Pre-IPO ESOP as of the Latest Practicable Date:

Name	Position	Address	Number of Shares underlying outstanding Options	Exercise Price (US\$)	Date of Grant	Vesting Period ⁽²⁾	Approximate percentage of issued Shares immediately after completion of Global Offering and the Conversion Adjustment ⁽¹⁾
Chunzheng Song	Executive Director and chief executive officer	Room 103, Building 3, Shijicheng Chenyueyuan Shuguang Road, Haidian District, Beijing, People's Republic of China	3,663,526	0.0000005	April 1, 2022 to July 1, 2023	Immediately vested on date of grant to 4 years from date of grant	0.14%
Xuedong Wang	Chief financial officer	Room 1501, Unit 4, Building 314, Baiziwan Dongli, Chaoyang District, Beijing, People's Republic of China	405,484	0.0000005	April 1, 2024	1 year from date of grant to 4 years from date of grant	0.02%
Ning Hai	Director of the Company's subsidiary	Room 601, Unit 1, Building 8, Heyue Huajin Phase I, Hong'er Road, Beijing Economic and Technology Development Zone, Beijing, People's Republic of China	231,596	0.0000005	April 1, 2023 to April 1, 2025	Immediately vested on date of grant to 4 years from date of grant	0.01%
Wei Ni	Director of the Company's subsidiary	9-1-1903, Wuli, Luhaiyuan, Boxing 7 th Road, Daxing District, Beijing, People's Republic of China	55,743	0.0000005	April 1, 2023 to April 1, 2025	Immediately vested on date of grant to 4 years from date of grant	0.00%
Subtotal:	4 grantees		4,356,349				0.16%

Notes:

- (1) Assuming the Over-allotment Option is not exercised and excluding the shares to be issued under the Share Incentive Plans.
- (2) 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, subject to the terms of the Pre-IPO ESOP and the Option award agreement signed by the grantee. No consideration was paid for the grant of such Options under the Pre-IPO ESOP.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

The table below shows the details of the outstanding Options granted to grantees who have been granted options to subscribe for 400,000 Shares or more, who are not Directors, senior management, or connected persons of the Company, under the Pre-IPO ESOP as of the Latest Practicable Date:

Name	Position	Address	Number of Shares underlying outstanding Options	Exercise Price (US\$)	Date of Grant	Vesting Period ⁽²⁾	Approximate percentage of issued Shares immediately after completion of Global Offering and the Conversion Adjustment ⁽¹⁾
Sandy Ran Xu	Chief executive officer of JD Group	Block 3, 6/F, Nanlang Jiayuan, Chaoyang District, Beijing, People's Republic of China	790,000	0.0000005	July 1, 2023 to April 1, 2025	1 year from date of grant to 4 years from date of grant	0.03%
Fankun Zeng	Director of Business Operations of BOM	Room 1501, Unit 1, Block 6, JD Pilot Space, No. 67 Jinghai 5 Road, Daxing District, Beijing, People's Republic of China	616,791	0.0000005	January 1, 2025	1 year from date of grant to 4 years from date of grant	0.02%
Zhengwei Hu	Former chief financial officer	Room 15, No. 17, Xicheng Second Village, Liangxi District, Wuxi City, Jiangsu Province, People's Republic of China	549,567	0.0000005	April 1, 2023	Immediately vested on date of grant to 1 year from date of grant	0.02%
Xuejun Shen	Senior director	Room 1101, Building 4, 135 Xujiahui Road, Shanghai, People's Republic of China	482,242	0.0000005	April 1, 2023 to April 1, 2025	6 months from date of grant to 4 years from date of grant	0.02%
Junqi An	Director of human resources	No. 3039, Bao'an North Road, Luohu District, Shenzhen, Guangdong District, People's Republic of China	479,726	0.0000005	July 1, 2024	1 year from date of grant to 4 years from date of grant	0.02%
Jianxun Liu	Head of MRO Business Department	8-2-401 East District, Baiwang Jiayuan, Malianwa North Road, Haidian District, Beijing, People's Republic of China	439,765	0.0000005	April 1, 2023 to April 1, 2025	Immediately vested on date of grant to 4 years from date of grant	0.02%
Jin Hu	Head of the Merchandise Department of the European & American Business Division	Room 605, Building 5, 555 Tianzhu Road, Jiading District, Shanghai, People's Republic of China	407,674	0.0000005	April 1, 2023 to April 1, 2025	Immediately vested on date of grant to 4 years from date of grant	0.02%
Subtotal:	7 grantees		3,765,765				0.14%

Notes:

- (1) Assuming the Over-allotment Option is not exercised and excluding the shares to be issued under the Share Incentive Plans.
- (2) 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, subject to the terms of the Pre-IPO ESOP and the Option award agreement signed by the grantee. No consideration was paid for the grant of such Options under the Pre-IPO ESOP.

The table below shows the details of the outstanding Options granted to the remaining 909 grantees, who are neither Directors, senior management, connected persons of the Company nor grantees who have been granted Options to subscribe for 400,000 Shares or more, under Pre-IPO ESOP as of the Latest Practicable Date:

Range of Shares underlying outstanding options under the Pre-IPO ESOP	Total number of grantees	Total number of Shares underlying outstanding Options	Exercise Price (US\$)	Date of Grant	Vesting Period ⁽²⁾	Approximate percentage of issued Shares immediately after completion of Global Offering and the Conversion Adjustment ⁽¹⁾
200,000 Shares to 399,999 Shares	29	8,478,119	0.0000005	April 1, 2023 to November 10, 2025	Immediately vested on date of grant to 4 years from date of grant	0.31%
100,000 Shares to 199,999 Shares	65	9,080,920	0.0000005	July 1, 2022 to July 1, 2025	Immediately vested on date of grant to 4 years and 3 months from date of grant	0.34%
20,000 Shares to 99,999 Shares	337	15,030,046	0.0000005	April 1, 2023 to October 1, 2025	Immediately vested on date of grant to 4 years and 6 months from date of grant	0.56%
1 Share to 19,999 Shares	461	4,198,644	0.0000005	April 1, 2023 to October 1, 2025	Immediately vested on date of grant to 4 years from date of grant	0.16%
Subtotal:	892	36,787,729				1.37%

Notes:

- (1) Assuming the Over-allotment Option is not exercised and excluding the shares to be issued under the Share Incentive Plans.
- (2) 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, subject to the terms of the Pre-IPO ESOP and the Option award agreement signed by the grantee. No consideration was paid for the grant of such Options under the Pre-IPO ESOP.

2. *Post-IPO First Share Scheme*

The following is a summary of the principal terms of the Post-IPO First Share Scheme conditionally adopted by our Shareholders by resolutions of the Shareholders dated November 27, 2025. The terms of the Post-IPO First Share Scheme will be governed by Chapter 17 of the Listing Rules. For the purpose of the Post-IPO First Share Scheme, references to Shares include treasury shares, and references to the issue of or subscription for Shares include the transfer of treasury shares.

(a) *Purposes of the Post-IPO First Share Scheme*

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.

(b) *Eligible participants*

Any individual, who is:

- 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 (“Employee Participants”);

- 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 (“**Related Entity**”); 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 (“**Service Provider Participants**”),

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.

In particular, Service Provider Participants include:

Consultants, such as professors, academics and reputable industry expert with distinguished backgrounds and expertise in industrial supply chain technology and services, human resources and regulatory affairs who, or are anticipated to be going forward, a significant business partner, or otherwise significant to the Group’s business, with reference to, among other metrics, research and development, development or manufacturing or distribution of products/services provided by the Group, or otherwise will contribute significantly to the growth of the Group’s financial or business performance, based on quantitative performance indicators to be determined by the Board or the scheme administrator on a case-by-case basis. Such consultants may be able to collaborate with the Group on continuing or discrete consulting projects and may be remunerated with equity incentives to align the long-term interests of such consultants with the Group.

However, no individual who is resident in a place where the grant, acceptance or exercise of options pursuant to the Post-IPO First Share Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the scheme administrator, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options. For the avoidance of doubt, placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity may not participate in the Post-IPO First Share Scheme.

In assessing whether the Service Provider Participants provides services to our Group on a continuing and recurring basis, the Board or the scheme administrator shall take into consideration the length and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance of the employees, officers and directors of our Group to whom our Group provides equity incentives, while taking into account the purpose of the Post-IPO First Share Scheme and the objectives in engaging the Service Provider Participants. Our Company will also take into consideration the remuneration packages of comparable listed peers for similar service providers, based on available information in the industry.

The Board consider that the eligibility of Service Providers to participate in the Post-IPO First Share Scheme is consistent with the purpose of the Post-IPO First Share Scheme, which enables our Group to preserve its cash resources and use share incentives to encourage persons outside of our Group to contribute to our Group and align the mutual interests of each party, as both our Company and the Service Provider Participants, by holding on to equity incentives, will mutually benefit from the long term growth of our Group.

(c) *Maximum number of Shares*

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 date the Shares commence trading on the Stock Exchange (the “**Scheme Mandate Limit**”) (excluding any 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 date the Shares commence trading on the Stock Exchange (the “**Service Provider Sublimit**”).

Our Company and the Directors (including the independent non-executive Directors) are of the view that such Service Provider Sublimit is appropriate and reasonable given the nature of the industry and the Company’s business needs, and such a limit provides our Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to our Group, which is in line with the purpose of the Post-IPO First Share Scheme.

The Scheme Mandate Limit and the Service Provider Sublimit may be refreshed from the later of three years after the adoption date of the Post-IPO First Share Scheme or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit or Service Provider Sublimit (as the case may be) by obtaining prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the refreshed Scheme Mandate Limit cannot exceed 10% of the Shares in issue (excluding any treasury shares) as of the date of such approval. Awards previously granted under the Post-IPO First Share Scheme and any other share schemes of our Company (and to which provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, canceled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.

Our Company may also grant awards in excess of the Scheme Mandate Limit, provided such grant is to specifically identified eligible participants and is first approved by Shareholders in general meeting.

(d) *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 Post-IPO First Share Scheme, grant an award under the Post-IPO First Share Scheme 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.

An award may take the form of: (i) an award which vests in the form of the right to subscribe for, be issued and/or be transferred such number of Shares as the Board or the scheme administrator may determine at the issue price in accordance with the terms of the plan (“**Share Award**”); or (ii) an award which vests in the form of the right to subscribe for and/or be transferred such number of Shares as the Board or the scheme administrator may determine during the exercise period at the exercise price in accordance with the terms of the plan (“**Share Option**”).

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). For any Share Options to be granted in such circumstances, the date of the Board meeting for proposing such further grant shall be the date of grant of such options for the purpose of calculating the exercise price of the options.

Any grant of awards to any Director, chief executive or a member of the senior management (as determined by the Board and disclosed in the prospectus or annual report of the Company), or any of their respective associates, shall be subject to the prior approval of the remuneration committee of the Board (excluding any member who is a proposed recipient of the grant of the award) and the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of awards).

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 of the Company in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.

(e) Performance target

The Board or the scheme administrator may in respect of each award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of awards in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the award letter. The Board or the scheme administrator shall have regard to the purpose of the Post-IPO First Share Scheme in making such determination, with any performance targets generally being in line with common key performance indicators in the industry of the Group, and taking into account the different roles and contributions of the grantees. The Board or the scheme administrator shall also establish robust mechanisms to ensure impartial evaluation of such indicators. For the avoidance of doubt, an award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant award letter.

(f) Exercise price

For awards which take the form of options, the amount payable for each Share to be subscribed for (the “**Exercise Price**”) 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.

(g) Transferability

An award is personal to the grantee and shall not be transferable or assignable except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee shall be bound by the Rules of the Post-IPO First Share Scheme as if the transferee were the grantee.

(h) 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, which may include, among other terms, the number of Shares in respect of which the award relates, the issue 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 scheme rules.

Unless otherwise specified in the award letter or instructed by the Board or the scheme administrator, and to the extent that an award is not accepted within 14 business days from the date on

which the letter containing the offer of grant is delivered to that grantee, the award shall be deemed to have been irrevocably declined and shall automatically lapse.

(i) Events after vesting date

Except as otherwise specified in the award letter the applicable vesting date for any award:

- (a) in respect of an award taking the form of a Share Option, such Share option may be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the scheme administrator may from time to time determine stating that the Share Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the exercise price multiplied by the number of Shares in respect of which the notice is given. Within 10 business days after receipt of the notice and related remittance in full, the Company shall allot and issue to the grantee the number of award Shares in respect of which the Share option has been exercised; and
- (b) in respect of an award taking the form of a Share Award, within 10 business days following the vesting date, subject to receipt in full of the issue price payable (if any) multiplied by the number of award Shares to be issued pursuant to the relevant Share Award, the Company shall allot and issue to the grantee the relevant number of award Shares constituting the Share Award,

in each case credited as fully paid and instruct the share registrar to issue to the grantee a share certificate in respect of the award Shares so allotted and issued, subject to the grantee executing and delivering all such forms and instruments and providing such instructions in the manner as shall be required by the Board, the scheme administrator or any designated third party.

The award Shares to be allotted and issued shall be identical to all existing issued Shares and shall be allotted and issued subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid Shares in issue on the date the name of the grantee is registered on the register of members of the Company. For the avoidance of doubt, a grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

At the discretion of the scheme administrator, any obligation to allot and issue award Shares to a grantee may be satisfied by transferring the equivalent number of treasury shares to the grantee.

(j) Cancellation of options

Any awards granted but not exercised may be canceled by the scheme administrator at any time with the prior consent of the grantee.

Under the following circumstances, the Company shall be entitled to cancel the Awards, regardless of whether the Awards have vested or not:

- (a) if the grantee conducts any activities that cause damage to the Group during a grantee's work and performance of duty, such as negligence, malfeasance or non-feasance, including but not limited to:
 - (i) takes advantage of the grantee's position to seek illegitimate interest for grantee himself, any related persons or others;

- (ii) takes advantage of the grantee's position to receive kickbacks, commissions or benefits in any form and keeps such benefit for the grantee himself or a team;
 - (iii) accepts gifts or presents that are not turned in to the Group;
 - (iv) bribes or accepts bribery or soliciting for bribery;
 - (v) embezzles and misappropriates public funds or occupies assets of the Group;
 - (vi) acts without authorization or engages in malpractice causing damage to the Group;
 - (vii) conducts any transaction with conflict of interest; and
 - (viii) conducts any other activities in breach of the rules and policies on anti-bribery of the Group;
- (b) if the grantee conducts any acts or omissions in breach of any code of conduct or professional ethics, commits malfeasance or non-feasance, or enters into related party or other transactions causing damages to the Group's interest or reputation and/or otherwise causes material adverse impact on the Group's image, or has other activities in violation of the applicable laws and regulations and/or the Group's policies and rules;
- (c) if the grantee discloses, without authorization, the Group's operational and technical know-how or secretes or any other confidential information known to the grantee during the grantee's course of employment with or services to the Group or Related Entities, or breaches the rules and policies of the Group's or a Related Entity's and/or non-disclosure agreement entered into by the grantee with the Group or a Related Entity;
- (d) During the period of the grantee's employment or services to the Group or a Related Entity and two years after the expiration of such period, the grantee and/or the grantee's Associates ("Associates" shall include the grantee's spouse, children, parents, any person who act at the grantee's instruction or direction based on any formal or informal agreement or arrangement, and any individual or entity controlled by the grantee), directly or indirectly:
- (i) negotiates, enters into or has any interest in any business activities, directly or indirectly, with any competitor of the Group ("competitor" means any individual, partnership, corporation, trust, association or entity providing any product or service which is identical to, similar with or in competition with any product or service provided by the Group) or the affiliates of the competitor, including but not limited to:
 - (1) enters into employment relationship directly or indirectly (either full-time or part-time), or is engaged as director, supervisor, officers or advisor;
 - (2) provides any service which is competing with any of product or service provided by the Group, for example consulting service, technical service, design service, information provision and intermediary service;
 - (3) enters into any transactions related to the product or service provided by the Group, for example, selling of product, engineering cooperation and project cooperation; or
 - (4) without consent of the Company, invests in any competitor or its affiliates or receives any investment or donated shares in any form from any competitor or its affiliates, including but not limited to in the form of equity, joint venture, cash or non-cash contribution, by entrustment through relatives or other parties.

- (ii) participates, assists or engages, in any manner, directly or indirectly, in any Competitive Business (“Competitive Business” means business, service or investment which is identical to, similar to or in competition with the business carried on by the Group), including but not limited to:
 - (1) participates or engages in the Competitive Business in any form, including but not limited to in the name of an individual or through any entity;
 - (2) invests in the Competitive Business in any form, including but not limited to in equity, partnership, cash or non-cash investment or through relatives or other form;
 - (3) cooperates or supports the Competitive Business, including but not limited to providing technical services, providing loan, introducing project or assisting in negotiation, with or without compensation;
- (iii) conducts any of the following activities for the interest of the grantee himself, or other individuals or entities, including but not limited to:
 - (1) solicits or entices and attempts to solicit or entice away any employee or officer of the Company or its affiliates, or employs directly or indirectly through other entity any employee or officer of the Group or any former employee or officer who resigns or leaves the Group without going through the Group’s internal procedures;
 - (2) solicits or entices the customers or former customers of the Company or its affiliates to conduct any transactions that related to the existing transaction between the Group and its customers;
- (iv) conducts any other activities that compete with or conflict with the interests of the Group and any businesses of the Group and have caused damages to the Group; or
- (v) breaches the provisions of non-competition agreement executed between the grantee and the Group and or any other rules or policies of the Group; or
- (e) if the grantee’s employment or service is terminated by the Group or any Related Entity for any reason, or the grantee resigns or leaves the Group or any Related Entity without going through the proper procedure set forth by the Group or any Related Entity.

Issuance of new awards to the same grantee whose awards have been canceled may only be made if there are unissued awards available under the scheme mandate (excluding the awards of the relevant grantee canceled forementioned) and in compliance with the terms of the Post-IPO First Share Scheme.

(k) Lapse of option

Without prejudice to the authority of scheme administrator to provide additional situations when an award shall lapse in the terms of any award letter, an award shall lapse automatically (to the extent not already vested and, where relevant, exercised) on the earliest of:

- a) the expiry of the applicable period within which an award may be exercised, and shall not expire later than ten years from the date of grant (the “**Exercise Period**”);
- b) the expiry of any of the periods for exercising the award as referred to in “Ceasing to be an eligible participant” and “Change of control” below;

- c) the date on which the Board or the scheme administrator makes a determination under the clawback mechanism of the Post-IPO First Share Scheme, as referred to in “Clawback” below; and
- d) the date on which the grantee commits a breach of the rules of the Post-IPO First Share Scheme.

(l) *Voting and dividend rights*

Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights.

(m) *Alteration in share capital*

In the event of any alteration in the capital structure of the Company by way of capitalization of profits or reserves, rights issue, open offer, subdivision or consolidation of Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) after the adoption date, the Board or the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) shall make such corresponding adjustments, if any, as it in its discretion may deem appropriate to reflect such change with respect to:

- (a) the number of Shares comprising the Scheme Mandate Limit or Service Provider Sublimit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit and Service Provider Sublimit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;
- (b) the number of Shares comprised in each award to the extent any award has not been exercised; and
- (c) the exercise price of any option or issue price of any share award, or any combination thereof, as the auditors or a financial advisor engaged by our Company for such purpose have certified satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular grantee, provided always that (i) any such adjustments should give each grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that grantee was previously entitled prior to such adjustments, and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. The capacity of the auditors or financial advisor (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the grantees.

(n) *Clawback*

To the extent required by applicable law or stock exchange listing standards, or as otherwise determined by the Company or the parent company of the Company, including but not limited to, in the event that:

- a) a grantee ceases to be an eligible participant by reason of (i) the termination of his/her employment or contractual engagement with the Group or Related Entity or Service Provider Participant for cause or without notice or with payment in lieu of notice;

- b) a grantee has been charged, penalized or convicted of a criminal offence involving his/her integrity or honesty; or
- c) in the reasonable opinion of the Board or the scheme administrator, a grantee has engaged in serious misconduct or breaches the terms of the Post-IPO First Share Scheme in any material respect,

then the Board or the scheme administrator may make a determination at its absolute discretion that: (A) any awards granted but not yet exercised or transferred shall immediately lapse, regardless of whether such awards have vested or not, and (B) with respect to any Shares delivered to that grantee or amount paid to the grantee pursuant to any awards granted under the Post-IPO First Share Scheme, the grantee shall be required to transfer or pay back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares, or (3) a combination of (1) and (2) and/or (C) with respect to any award Shares held by the trustee for the benefit of the grantee, those award Shares shall no longer be held on trust for nor inure to the benefit of the grantee. In any event, any award granted, vested or paid under the Post-IPO First Share Scheme shall be subject to the applicable laws and regulations or any policies or requirements of the Company and the parent company of the Company (including any clawback policy or clawback requirement of the parent company of the Company), which may provide for the recovery of erroneously awarded compensation received by current or former executive officers in connection with a financial restatement of the Company or the parent company of the Company, regardless of fault or misconduct. As such, the Company is entitled to immediately forfeit/cancel any outstanding awards granted or vested, and any compensation arising from any awards, without consent from a grantee. The Directors are of the view that such clawback mechanism provides an option for our Company to clawback the equity incentives granted to eligible participants culpable of misconduct and is in line with the purpose of the Post-IPO First Share Scheme and the interests of Shareholders.

(o) Ceasing to be an eligible participant

If a grantee ceases to be an eligible participant by reason of his/her retirement, unless the Board or the scheme administrator determines otherwise at their absolute discretion: (i) any outstanding awards not yet vested shall immediately lapse (unless the Board or the scheme administrator determines otherwise at their absolute discretion), and (ii) any vested option may be exercised within the Exercise Period, failing which such option shall lapse.

If a grantee ceases to be an eligible participant by reason of (i) death of the grantee; or (ii) the termination of his/her employment or contractual engagement with any member of the Group by reason of his/her permanent physical or mental disablement, unless the Board or the scheme administrator determines otherwise at their absolute discretion:

- a) in the case of options: any vested option may be exercised within the Exercise Period, or such other period as the Board or the scheme administrator may decide in their absolute discretion by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the option, the vested option may be exercised within that period by the persons charged with the duty of representing the grantee under applicable laws. If the vested option is not exercised within the time mentioned above, the option shall lapse. Any share option granted to the grantee but has not vested shall immediately lapse; and

- b) in the case of share awards: any outstanding share awards not yet vested shall immediately lapse (unless the Board or the scheme administrator determines otherwise at their absolute discretion).

If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her creditors generally, they shall cease to be an eligible participant under the Post-IPO First Share Scheme and any awards not yet vested and any outstanding options not yet exercised shall immediately lapse, unless the scheme administrator determines otherwise at their absolute discretion.

If a grantee ceases to be an eligible participant for reasons other than those set out in the preceding provisions, and unless the Board or the scheme administrator determines otherwise at their absolute discretion: (a) subject to the provisions of the clawback clause, a grantee may exercise any vested Share Options within three (3) months of such cessation or within the exercise period, whichever is the shorter, or such other period as the Board or the scheme administrator may decide in their sole discretion. If a Share Option is not exercised within the stipulated time, the Share Option shall be forfeited and shall lapse; and (b) any outstanding share awards not yet vested shall immediately lapse.

(p) Vesting of awards

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) in the following circumstances:

- (i) grants of “make whole” share awards to new Employee Participants to replace share awards such Employee Participants forfeited when leaving their previous employers;
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants of awards which are subject to the fulfillment of performance targets;
- (iv) grants of awards that are made in batches during a year for administrative and/or compliance requirements, in which case the vesting date may be adjusted to take account of the time from which the award would have been granted if not for such administrative or compliance requirements;
- (v) grants of awards with a mixed or accelerated vesting schedule such that the awards vest evenly over a period of 12 months; or
- (vi) grants of share options and share awards with a total vesting and holding period of more than 12 months.

(q) Change of control

If there is a change in control of the Company as the result of a merger, scheme of arrangement or general offer, the scheme administrator shall at its sole discretion (subject to compliance with the Listing Rules and the Takeovers Code) determine whether the vesting dates of any awards will be accelerated and/or the vesting conditions or criteria of any awards will be amended or waived, and notify grantees accordingly.

(r) Duration

The Post-IPO First Share Scheme shall be valid and effective for the period of ten years commencing on the adoption date and ending on the 10th anniversary of the adoption date (“**Scheme Period**”) (after which, no further awards will be granted under the Post-IPO First Share Scheme), and thereafter for so long as there are any unvested awards granted prior to the expiration of the Scheme Period, in order to give effect to the vesting of such awards or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO First Share Scheme.

(s) Amendment of the Post-IPO First Share Scheme or awards

The Board or the scheme administrator may subject to the rules of the Post-IPO First Share Scheme amend any of the provisions of the Post-IPO First Share Scheme or any awards granted under the Post-IPO First Share Scheme at any time and in any respect, provided that the terms of the Post-IPO First Share Scheme or the awards so altered must comply with the relevant requirements of Chapter 17 of the Listing Rules.

The approval of the Shareholders in general meeting is required for any amendment or alteration to the terms of the Post-IPO First Share Scheme which are of a material nature or to those provisions of this Post-IPO First Share Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration or amendment operates to the advantage of eligible participants.

Any amendment or alteration to the terms of any award the grant of which was subject to the approval of a particular body (such as the Board or any committee thereof, the independent non-executive Directors, or the Shareholders in general meeting) shall be subject to approval by that same body, provided that such requirement is not applicable where the relevant alteration takes effect automatically under existing terms of the Post-IPO First Share Scheme. Without limiting the generality of the foregoing, any change in the terms of awards granted to any grantee who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required in the Listing Rules if the initial grant of the awards requires such approval (except where the changes take effect automatically under the rules of Post-IPO First Share Scheme).

(t) Termination

The Post-IPO First Share Scheme shall terminate on the earlier of (a) the expiry of the Scheme Period; and (b) such date of early termination as determined by the Board, following which no further awards will be offered or granted thereunder, provided that notwithstanding such termination, the Post-IPO First Share Scheme and rules thereof shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any awards granted prior to the termination of the Post-IPO First Share Scheme and such termination shall not affect any subsisting rights already granted to any grantee thereunder. Awards complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Post-IPO First Share Scheme and remaining unvested, unexercised and unexpired immediately prior to the termination of the operation of the Post-IPO First Share Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Post-IPO First Share Scheme.

3. Post-IPO Second Share Scheme

The following is a summary of the principal terms of the Post-IPO Second Share Scheme conditionally adopted by our Board by way of a written resolution passed on November 26, 2025 and which shall take effect from the Listing Date. The Post-IPO Second Share Scheme is a share scheme funded by existing Shares.

(a) Purposes of the Post-IPO Second Share Scheme

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.

(b) 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.

(c) Administration

The Board shall be responsible and have full authority for administering the plan in accordance with the rules of the plan. The authority to administer the Post-IPO Second Shares Scheme may be delegated by the Board to a scheme administrator deemed appropriate at the sole discretion of the Board, including its powers to offer or grant Awards and to determine and amend the terms and conditions of such awards. The Company may establish a trust and appoint a trustee to hold Shares and other trust property under the trust for the purposes of implementing and administering the plan. Unless otherwise agreed between the Company and any trustee, the Board or the scheme administrator shall act on behalf of the Company to give instructions to and direct the trustee.

(d) 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 (“**Award**”) 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.

An Award may take the form of: (i) an award which vests in the form of the right to purchase such number of Shares as the Board or the scheme administrator may determine at the purchase price in accordance with the terms of the plan (“**Share Award**”); or (ii) an Award which vests in the form of the right to purchase such number of Shares as the Board or the scheme administrator may determine during the exercise period at the exercise price in accordance with the terms of the plan (“**Share Option**”).

No Award shall be granted to any eligible participant in certain specified circumstances, including but not limited to:

- (i) in circumstances prohibited by the Listing Rules or at a time when the relevant eligible participant would be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law;
- (ii) where the Company is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced; and
- (iii) during the periods commencing 30 days immediately before the earlier of the date of the board meeting for approving the Company's results for any year, half-year, quarterly or any other interim period and the deadline for the Company to announce such results, and ending on the date of the results announcement, provided that such period will also cover any period of delay in the publication of any results announcement.

(e) *Maximum number of Shares*

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.

(f) *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.

Unless otherwise specified in the Award Letter or instructed by the Board or the scheme administrator, and to the extent that an Award is not accepted within 14 business days from the date on which the letter containing the offer of grant is delivered to that grantee, the Award shall be deemed to have been irrevocably declined and shall automatically lapse.

(g) *Exercise or vesting of Awards*

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.

For the purposes of transferring the transfer of Shares following the exercise/vesting of an Award, to the extent that, at the determination of the Board or the scheme administrator, it is not practicable or desirable for the grantee to receive Award Shares, whether due to applicable legal or regulatory restrictions or otherwise, the Board or the scheme administrator may sell on-market at prevailing market prices the number of Shares the grantee is entitled to and pay to the grantee the actual selling price of such Shares.

(h) *Cancellation and lapse of Awards*

Any Awards granted but not exercised may be canceled by the scheme administrator at any time with the prior consent of the grantee.

Under the following circumstances, the Company shall be entitled to cancel the Awards, regardless of whether the Awards have vested or not:

- (a) if the grantee conducts any activities that cause damage to the Group during a grantee's work and performance of duty, such as negligence, malfeasance or non-feasance, including but not limited to:
 - (i) takes advantage of the grantee's position to seek illegitimate interest for grantee himself, any related persons or others;
 - (ii) takes advantage of the grantee's position to receive kickbacks, commissions or benefits in any form and keeps such benefit for the grantee himself or a team;
 - (iii) accepts gifts or presents that are not turned in to the Group;
 - (iv) bribes or accepts bribery or soliciting for bribery;
 - (v) embezzles and misappropriates public funds or occupies assets of the Group;
 - (vi) acts without authorization or engages in malpractice causing damage to the Group;
 - (vii) conducts any transaction with conflict of interest; and
 - (viii) conducts any other activities in breach of the rules and policies on anti-bribery of the Group;
- (b) if the grantee conducts any acts or omissions in breach of any code of conduct or professional ethics, commits malfeasance or non-feasance, or enters into related party or other transactions causing damages to the Group's interest or reputation and/or otherwise causes material adverse impact on the Group's image, or has other activities in violation of the applicable laws and regulations and/or the Group's policies and rules;
- (c) if the grantee discloses, without authorization, the Group's operational and technical know-how or secretes or any other confidential information known to the grantee during the grantee's course of employment with or services to the Group or Related Entities, or breaches the rules and policies of the Group's or a Related Entity's and/or non-disclosure agreement entered into by the grantee with the Group or a Related Entity;
- (d) During the period of the grantee's employment or services to the Group or a Related Entity and two years after the expiration of such period, the grantee and/or the grantee's Associates ("Associates" shall include the grantee's spouse, children, parents, any person

who act at the grantee's instruction or direction based on any formal or informal agreement or arrangement, and any individual or entity controlled by the grantee), directly or indirectly:

- (i) negotiates, enters into or has any interest in any business activities, directly or indirectly, with any competitor of the Group ("competitor" means any individual, partnership, corporation, trust, association or entity providing any product or service which is identical to, similar with or in competition with any product or service provided by the Group) or the affiliates of the competitor, including but not limited to:
 - (1) enters into employment relationship directly or indirectly (either full-time or part-time), or is engaged as director, supervisor, officers or advisor;
 - (2) provides any service which is competing with any of product or service provided by the Group, for example consulting service, technical service, design service, information provision and intermediary service;
 - (3) enters into any transactions related to the product or service provided by the Group, for example, selling of product, engineering cooperation and project cooperation; or
 - (4) without consent of the Company, invests in any competitor or its affiliates or receives any investment or donated shares in any form from any competitor or its affiliates, including but not limited to in the form of equity, joint venture, cash or non-cash contribution, by entrustment through relatives or other parties.
- (ii) participates, assists or engages, in any manner, directly or indirectly, in any Competitive Business ("Competitive Business" means business, service or investment which is identical to, similar to or in competition with the business carried on by the Group), including but not limited to:
 - (1) participates or engages in the Competitive Business in any form, including but not limited to in the name of an individual or through any entity;
 - (2) invests in the Competitive Business in any form, including but not limited to in equity, partnership, cash or non-cash investment or through relatives or other form;
 - (3) cooperates or supports the Competitive Business, including but not limited to providing technical services, providing loan, introducing project or assisting in negotiation, with or without compensation;
- (iii) conducts any of the following activities for the interest of the grantee himself, or other individuals or entities, including but not limited to:
 - (1) solicits or entices and attempts to solicit or entice away any employee or officer of the Company or its affiliates, or employs directly or indirectly through other entity any employee or officer of the Group or any former employee or officer who resigns or leaves the Group without going through the Group's internal procedures;
 - (2) solicits or entices the customers or former customers of the Company or its affiliates to conduct any transactions that related to the existing transaction between the Group and its customers;

- (iv) conducts any other activities that compete with or conflict with the interests of the Group and any businesses of the Group and have caused damages to the Group; or
- (v) breaches the provisions of non-competition agreement executed between the grantee and the Group and or any other rules or policies of the Group; or
- (e) if the grantee's employment or service is terminated by the Group or any Related Entity for any reason, or the grantee resigns or leaves the Group or any Related Entity without going through the proper procedure set forth by the Group or any Related Entity.

Without prejudice to the authority of the scheme administrator to provide additional situations when an Award shall lapse in the Award Letter, an Award shall lapse automatically (to the extent not already vested and, where relevant, exercised) on the earliest: (a) the expiry of any applicable exercise period; (b) the date on which the Board makes a determination under the clawback clause of the plan; and (c) the expiry of any of the periods for exercising a Share Option due to ceasing to be an eligible participant; (d) the date on which the grantee commits a breach of transferability. The scheme administrator shall have the power to decide whether an Award shall lapse and its decision shall be binding and conclusive.

(i) *Transferability*

Awards shall be personal to the grantee to whom they are made and shall not be assignable or transferable, except in circumstances where the written consent of the Company has been obtained and provided that any such transferee agrees to be bound by rules of the plan as if the transferee were the grantee.

(j) *Voting and dividend rights*

No grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award unless and until the Award Shares are transferred to the grantee pursuant to the vesting/exercise of such awards.

(k) *Effects of alterations in the share capital*

In the event of any alteration in the capital structure of the Company by way of capitalization of profits or reserves, rights issue, open offer, subdivision or consolidation of Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) after the adoption date, the scheme administrator shall make such corresponding adjustments, if any, as it in its discretion may deem appropriate to reflect such change with respect to: (a) the number of Shares in each Award to the extent any Award has not been exercised, (b) the exercise price of any Share Option or purchase price of any Share Award, or any combination thereof, as the auditors or financial advisor engaged by the Company have certified satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular grantee, provided always that (i) any such adjustments should give each grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that grantee was previously entitled prior to such adjustments, and (ii) no such adjustments shall be made which would result in a Share being purchased or transferred at less than its nominal value.

(l) *Ceasing to be an eligible participant*

Clawback: To the extent required by applicable law or stock exchange listing standards, or as otherwise determined by the Company or the parent company of the Company, including but not limited to, in the event that (a) a grantee ceases to be an eligible participant by reason of the termination of his/her employment or contractual engagement with the Group or Related Entity for cause or without notice or with payment in lieu of notice; (b) a grantee has been charged, penalized or convicted of a criminal offense involving his/her integrity or honesty; or (c) in the reasonable opinion of the Board or the scheme administrator, a grantee has engaged in serious misconduct or breaches the terms of the plan in any material respect, then the Board may make a determination at its absolute discretion that: (A) any Awards granted to that grantee but not yet exercised or transferred shall immediately lapse, regardless of whether such awards have vested or not, (B) with respect to any Award Shares delivered to that grantee or amount paid to that grantee, the grantee shall be required to transfer or pay back to the Company or its nominee the equivalent number of Shares, or an amount in cash equal to the market value of such Shares, or a combination thereof, and/or (C) with respect to any Award Shares held by the trustee of the plan for the benefit of the grantee, those Award Shares shall no longer be held on trust for nor inure to the benefit of the grantee. In any event, any award granted, vested or paid under the Post-IPO Second Share Scheme shall be subject to the applicable laws and regulations or any policies or requirements of the Company and the parent company of the Company (including any clawback policy or clawback requirement of the parent company of the Company), which may provide for the recovery of erroneously awarded compensation received by current or former executive officers in connection with a financial restatement of the Company or the parent company of the Company, regardless of fault or misconduct. As such, the Company is entitled to immediately forfeit/cancel any outstanding awards granted or vested, and any compensation arising from any awards, without consent from a grantee.

Retirement: Unless the Board or the scheme administrator determines otherwise at their absolute discretion: If a grantee ceases to be an eligible participant by reason of his/her retirement: (i) any outstanding awards not yet vested shall immediately lapse (unless the Board or the scheme administrator determines otherwise at their absolute discretion), and (ii) any vested Share Option may be exercised within the exercise period, failing which the Share Option shall lapse.

Death or permanent incapacity: If a grantee ceases to be an eligible participant by reason of death of the grantee, or the termination of his/her employment or contractual engagement with any member of the Group or related entity by reason of his/her permanent physical or mental disablement, unless the Board or the scheme administrator determines otherwise at their absolute discretion: (a) in the case of Share Options: any vested Share Option may be exercised within the exercise period, or such other period as the Board or the scheme administrator may decide in their absolute discretion by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the Share Option, the vested Share Option may be exercised within that period by the persons charged with the duty of representing the grantee under applicable laws. If the vested Share Option is not exercised within the time mentioned above, the share option shall lapse; and (b) in the case of share awards: any outstanding Share Awards not yet vested shall immediately lapse (unless the Board or the scheme administrator determines otherwise at their absolute discretion).

Bankruptcy: If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her creditors generally, they shall cease to be an eligible participant under the plan and any Awards not yet vested and any outstanding Share Options not yet exercised shall immediately be forfeited and shall lapse, unless the scheme administrator determines otherwise at their absolute discretion.

Other reasons: If a grantee ceases to be an eligible participant for reasons other than those set out in the preceding provisions, and unless the Board or the scheme administrator determines otherwise at their absolute discretion: (a) subject to the provisions of the clawback clause, a grantee may exercise any vested Share Options within three (3) months of such cessation or within the exercise period, whichever is the shorter, or such other period as the scheme administrator may decide in their sole discretion. If a Share Option is not exercised within the stipulated time, the Share Option shall be forfeited and shall lapse; and (b) any outstanding awards not yet vested shall immediately be forfeited and shall lapse.

(m) Duration

The Post-IPO Second Share Scheme shall be valid and effective for the period of ten years commencing on the adoption date and ending on the 10th anniversary of the adoption date (“**Scheme Period**”) (after which, no further awards will be granted under the Post-IPO Second Share Scheme), and thereafter for so long as there are any unvested awards granted prior to the expiration of the Scheme Period, in order to give effect to the vesting of such awards or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO Second Share Scheme.

(n) Alteration of the rules of the plan or any Award

Subject to the below, the Board may amend any of the provisions of the plan or any awards granted under the plan at any time and in any respect. No amendment shall be made to any provisions of the plan or any awards to the extent that such amendment has a material adverse effect on any subsisting rights of any grantee at that date in respect of awards already granted but not yet vested or lapsed, without such grantee’s consent, provided that no such consent shall be required if the scheme administrator determines in its sole discretion that such amendment either: (i) is necessary or advisable in order for the Company, the plan or the Award to satisfy any applicable law or Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or (ii) is not reasonably likely to diminish materially the benefits provided under such Award, or that any such diminishment has been adequately compensated. Any amendment or alteration to the terms of any Award the grant of which was subject to the approval of a particular body shall be subject to approval by that same body, provided that this requirement does not apply where the relevant alteration takes effect automatically under existing terms of the plan.

(o) Termination

The Post-IPO Second Share Scheme shall terminate on the earlier of (a) the expiry of the Scheme Period, and (b) such date of early termination as determined by the Board, following which no further Awards will be offered or granted under the Post-IPO Second Share Scheme, provided that notwithstanding such termination, the Post-IPO Second Share Scheme and its rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted prior to the termination of the Post-IPO Second Share Scheme and such termination shall not affect any subsisting rights already granted to any grantee hereunder.

E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

2. Litigation

No member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

3. Joint Sponsors

As members of the sponsor group of UBS Securities Hong Kong Limited have current business relationships with one of our Directors, UBS Securities Hong Kong Limited does not satisfy the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules pursuant to Rule 3A.07(3) and Rule 3A.07(9).

Apart from UBS Securities Hong Kong Limited, each of the other Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will receive an aggregate of US\$2.0 million for acting as the sponsor for the Listing.

4. Consent of experts

This document contains statements made by the following experts:

<u>Name</u>	<u>Qualification</u>
Merrill Lynch (Asia Pacific) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
UBS Securities Hong Kong Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 7 (providing automated trading services) of the regulated activities as defined under the SFO
Haitong International Capital Limited	A licensed corporation under the SFO for type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Goldman Sachs (Asia) L.L.C.	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities as defined under the SFO
Shihui Partners	Legal adviser to Company as to PRC law
Maples and Calder (Hong Kong) LLP	Legal adviser to Company as to Cayman Islands law
Deloitte Touche Tohmatsu	Certified public accountants Registered Public Interest Entity Auditor
China Insights Industry Consultancy Limited	Industry consultant

As at the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts named above have given and have not withdrawn their respective written consent to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

5. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

6. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

7. Preliminary expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

8. Disclaimers

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) there are no commissions (but not including commission to sub-underwriters) for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company; and
 - (ii) there are no commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in the part headed “—Other information—Consent of Experts” received any such payment or benefit.
- (b) Save as disclosed in this document:
 - (i) there are no founder, management or deferred shares in our Company or any member of our Group;
 - (ii) we do not have any promoter and no cash, securities or other benefit has been paid, allotted or given within the two years immediately preceding the date of this document, or are proposed to be paid, allotted or given to any promoters;
 - (iii) none of the Directors or the experts named in the part headed “—Other information—Consent of Experts” above has any interest, direct or indirect, in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this

document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

- (iv) there are no bank overdrafts or other similar indebtedness by our Company or any member of our Group;
- (v) there are no hire purchase commitments, guarantees or other material contingent liabilities of our Company or any member of our Group;
- (vi) there are no outstanding debentures of our Company or any member of our Group;
- (vii) there are no other stock exchange on which any part of the equity or debt securities of our Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought;
- (viii) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option; and
- (ix) there are no contracts or arrangements subsisting at the date of this document in which a Director is materially interested or which is significant in relation to the business of our Group.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) the written consents referred to in the section headed “Statutory and General Information—E. Other Information—4. Consent of Experts” in Appendix IV to this document; and
- (b) copies of the material contracts referred to in the section headed “Statutory and general information—B. Further information about Our business—1. Summary of Material Contracts” in Appendix IV to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at www.hkexnews.hk and our Company at jingdongindustrials.com for 14 days from the date of this document:

- (a) the Memorandum and the Articles;
- (b) the material contracts referred to in the section headed “Statutory and General Information—B. Further information about Our business—1. Summary of Material Contracts” in Appendix IV to this document;
- (c) the service contracts and the letters of appointment with our Directors referred to in the section headed “Statutory and General Information—C. Further Information about Our Directors—1. Particulars of Directors’ Service Contracts and Appointment Letters” in Appendix IV to this document;
- (d) the PRC legal opinions issued by Shihui Partners, our PRC Legal Adviser on PRC law, in respect of certain general corporate matters and property interests in the PRC of our Group;
- (e) the audited consolidated financial statements of our Group for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025;
- (f) the Accountants’ Report and the report on the unaudited pro forma financial information of our Group prepared by Deloitte Touche Tohmatsu, the texts of which are set out in Appendices I and II to this document;
- (g) the letter of advice prepared by Maples and Calder (Hong Kong) LLP, our legal adviser on Cayman Islands law, summarizing certain aspects of Cayman Islands law referred to in Appendix III to this document;
- (h) the Cayman Companies Act;
- (i) the written consents referred to in the section headed “Statutory and general information—E. Other information—4. Consent of Experts” in Appendix IV to this document;
- (j) the report issued by China Insights Industry Consultancy Limited, a summary of which is set forth in the section headed “Industry Overview”; and
- (k) the terms of the Share Incentive Plans.

DOCUMENT AVAILABLE FOR INSPECTION

A list of grantees under the Pre-IPO ESOP, containing all the particulars as required under the Listing Rules and the Companies (Winding Up) and Miscellaneous Provisions) Ordinance, will be made available for inspection at the office of Skadden, Arps, Slate, Meagher & Flom at 42/F Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this document.

