



Shareholder Letter

June 18, 2021

Stay in Awe, Stay Passionate

A letter to investors

Dear investors,

On behalf of JD.com, I would like to express my sincere thanks for your longstanding trust and support.

JD.com turns 18 years old this year. Over the past 18 years, JD has been gradually transforming from an e-commerce company into a supply chain-based technology and service provider. Our businesses span across retail, technology, logistics, health and property and have created enormous value. During this period, JD's total number of employees has increased from just 38 to about 370,000 (employees in both listed and non-listed companies under the JD ecosystem). In 2020, JD's annual revenue reached nearly RMB746 billion, and we served more than 500 million customers and millions of partners.

We are proud not only that JD.com stocked millions of SKUs in our retail business, and our logistics network covers both urban and rural areas nationwide, but also that no matter where our customers are, they can enjoy superior shopping experiences through a broad selection of quality products, transparent prices and best-in-class customer services to support every aspect of their lives.

The growth of JD.com has long benefited from the booming Chinese economy, as well as the constant contributions of JD employees. Our employees span from the world's top scientists among our employees to couriers in remote counties throughout China. While their jobs may differ, they are all united by a common passion to embrace challenges and make the impossible possible through idealism, persistence and intrepidity.

Such a growth process fills us with awe and keeps us passionate. In fact, from the very first day of JD's founding, we have never given up our fundamental values and beliefs for the sake of becoming "big". At each and every step of JD's growth, we have shunned pursuing higher profits at the expense of our business partners. Every innovation and transformation we make is grounded in our mission to help our partners achieve higher quality growth as opposed to trying to replace them.

We are dedicated to upholding the principle of doing the right thing the right way and we always place the interests of customers, partners and employees foremost. We never shortchange our customers or partners and we strive to provide security to all of our hard-working employees.

China's consumption market holds great potential as the country is on track to become the top global market for consumption of goods. In the future, China will not just be the "world's factory," but also be the "world's market." More well-known supply chain enterprises will be born here in China, helping more global brands enter the Chinese market and enabling Chinese brands to achieve stronger global competitiveness.

The JD of today is at the intersection of empowering consumption and the entire value chain against a backdrop of the phase-in of the smart business era. Throughout the next decade and beyond there will be explosive growth centered on supply chain technology and innovation, and supply chain efficiency will inevitably become the core value of the industrial internet. Guided by our new mission of "powered by technology for a more productive and sustainable world," JD will strive to be a major force in the future of intelligent business.

Twenty-nine years ago, I came from Suqian to Beijing to study and start a business. The experience helped me to understand deeply that different levels of access to information and resources are hugely impactful for both individuals and enterprises.

While technology can improve efficiency, it can also create inequities. To create a fair playing field for all, we must exert a countering force on technology through "opening up." By opening up ourselves, forming external links, and becoming a part of a larger ecosystem, we can share our technological and infrastructural capabilities with millions of partners and give them more room to grow.

Over the next decade, JD will dedicate ourselves to developing a new generation of infrastructure, namely, **JD's smart supply chain. We will use our technological and supply chain capabilities to help our partners lower operating costs and increase efficiency, making it easier for all partners, especially middle and small-sized enterprises to access advanced technologies and resources, adjust smoothly to changing circumstances and better serve their customers.**

Chenghai county in Guangdong province is known as the "toy capital of the world". When the pandemic seriously impacted its exports last year, our operations team reached out to manufacturers in Chenghai and provided them customized support to promote sales in the domestic market. Similar to Chenghai, JD's supply chain and service capabilities have been helping many industrial regions to create hot-selling products for online consumers. For example, in the forests of the Greater Khingan Range of Heilongjiang province, beekeepers have sold their honey across the country on JD's platform. There are thousands of such cases in which JD has helped to solve the challenges of moving agricultural products to upstream markets for farmers from the snow-covered grasslands in the north to river and lake regions in the south.

Through our Customer-to-Manufacturer (C2M) model, JD and a home appliance brand worked together on the design of a new refrigerator last year, featuring a specialized storage space for baby food. This refrigerator achieved over RMB100 million in sales during the Singles Day Grand Promotion

in 2020. In the same vein, more than 1,000 brands have engaged in in-depth C2M collaboration with JD over the past year to create high-value products tailored to the needs of China's consumers.

In 2020, our years of supply chain experience and technological capabilities, enabled JD to be a pioneer on the frontlines during the pandemic, quickly transporting medical donations to Wuhan hospitals, supplying daily necessities and medical supplies across the country and supporting the pandemic prevention work of local communities through JD's intelligent city operating system. Our contributions and capabilities on all these fronts have brought us wide recognition from all walks of life.

All of these achievements are thanks to the efforts of our employees. As a company we've always **adhered to the most basic business logic: if a company treats its employees well, its employees will serve customers with sincerity, and only then will a company earn the trust of its customers.**

JD has more than 200,000 frontline employees, 80% of which come from not-well-off rural areas. They have created their own happiness through their hard work. As a company, it's our responsibility to provide them with a solid guarantee of this happiness. In 2020, the average annual expenditure for each frontline employee from JD Logistics was nearly RMB110,000, enabling them to support the livelihood of their family even in big cities such as Beijing, Shanghai, and Shenzhen. Many of our couriers in Northeast and Northwest provinces can even earn more than RMB10,000 a month.

Not long ago, residents of a community in Beijing heard that a JD courier served their community for years was planning to leave, so they organized to retain the courier. It's obvious that the courier is no long simply a courier. He treated and served the local residents as if they were part of his family. In turn, local residents also treated him as part of theirs.

When I was a child, business in many rural counties and towns in China was still acquaintance-based, and customers came from the surrounding areas. Many stores knew the exact preferences of each customer, and they would always have a chat no matter if they bought something or not. In big cities, people shop in malls and supermarkets. It is highly efficient, but the human touch is lacking. Therefore, **we hope to make human touch and emotion an important link between production and consumption.** We hope JD's employees and partners, especially the frontline employees who are closest to our users, can maintain this crucial human bond.

JD's more than 200,000 frontline employees across China serve hundreds of millions of consumers. JD's supply chain connects millions of community supermarkets, greengrocer's, pharmacies, car repair shops, florists and more. The close relationships and trust accumulated over the years among JD employees, brands, merchants and customers are a precious treasure for which we are intensely proud.

A company which stays in awe and stays enthusiastic should not pursue omnipotence in its industry. Instead, such a company should assume responsibility and create value for its users, partners, society, environment, communities and employees.

JD's dream is to turn the impossible into possible through staying focused on the long-term, upholding the principle of doing the right thing the right way, and shouldering our share of social responsibility.

I look forward to continuing to stand side by side with our many partners and investors who share our dream and commitment to long team value as we forge ahead into this great new era.

Richard Liu

Chairman of the Board and Chief Executive Officer, JD.com