



To our investors:

Our company was established in 1998 and became one of the most significant logistics companies in China and the world. We employ about 320,000 people and have a rank of 59th in the world. Our company not only have the business in logistics but also in Farming and animal husbandry, technology, real estate, and AI. Our company to cooperate as the first concept, whether it is closed partners or competitive companies can collaborate, believe that the reason for win-win competition. And our company is people-oriented, based on integrity to complete everything. In the future, JD will continue to develop and innovate people, giving greater value to everyone.

With the transformation of the economy from entity to e-commerce, JD faces two challenges. First, JD sales, which attract customers with low-cost spending, have not made further progress. Second, at this point, too many companies are moving from entities to e-commerce. In such fierce competition, JD does not have a big enough advantage over other companies. Based on the graph of the income, we can find out although the total revenue improves a lot from 2019 to 2021. However, the net income doesn't improve a lot. That means although there are more and more people buying the products, the total profit of the products doesn't improve. To solve this problem, JD should raise the price of the products. First, the only problem with rising prices is that they will reduce consumers. However, in today's e-commerce market, people are more concerned about the quality and after-sales service than price. JD's people-oriented, integrity-based development of the company over the years has left a perfect image. People are willing to believe that JD's products and services will have the majority of customers to retain even if the price increases. In this regard, JD needs to use this advantage to increase its core competitiveness. Based on the graph of the balance and cash flow, we can easier to infer our company is operating smoothly. There is no possibility that the company's capital will break. We can believe that JD company can successfully be transformed from entity to e-commerce although the competition is very intense. From the stock price, we can see the price is been a lot lower for a while, but then it bounces back. I believe the lower of the stock price because all the company is fighting the price war, and make the logistics area have intense competition. Thus, when the market environment becomes better, the stock price bounces back. Besides, JD doesn't lose so much during this period because of its own property: own a large number of materials and warehouses. The enterprise price improved a lot in 2020 and decrease 5 billion in 2021. This time JD has transformation is under way, and when the transformation is successful, the market value will increase significantly.

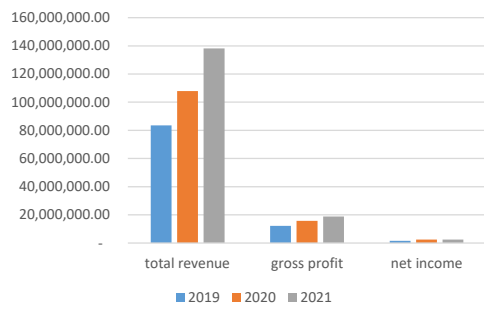
Through the analysis of JD's changes over the past three years, I believe our company will have a place in the future market. Compare with other companies such as Vipshop and overstock with JD, we have a huge advantage. JD doubled its revenue and net income than Vipshop, 65 times its revenue and 30 times its net income than Overstock. Besides, JD has far more investing activities than the other two companies.

In conclusion, although JD company has two challenges right now, based on the analysis, JD can successfully transformed into the e-commerce economy and have a bright future.

Graph of analysis

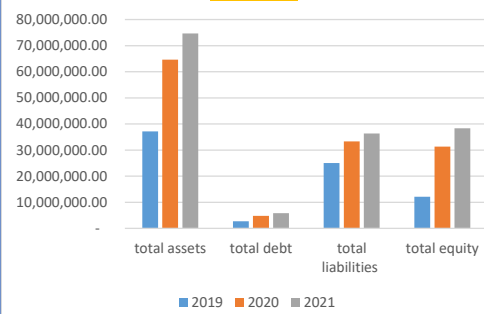
Income statement

Income



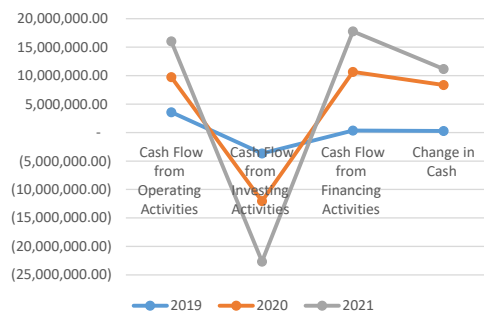
Balance Sheet

Balance



Cash flow

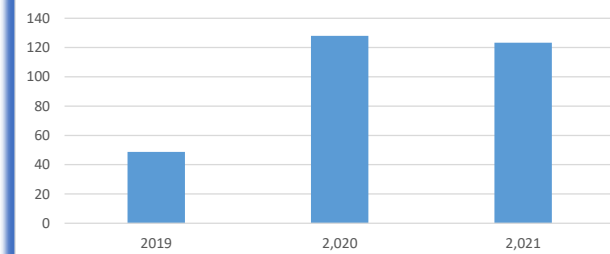
Cash flow



Stock Price



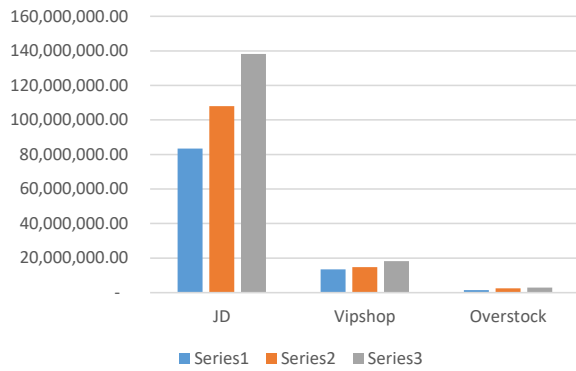
Enterprise Value



Comparison of other Companies

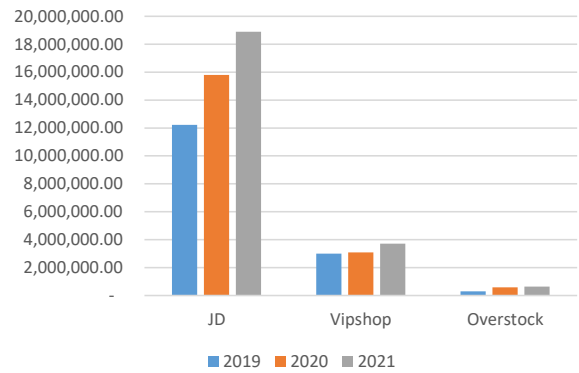
Revenue

Revenue



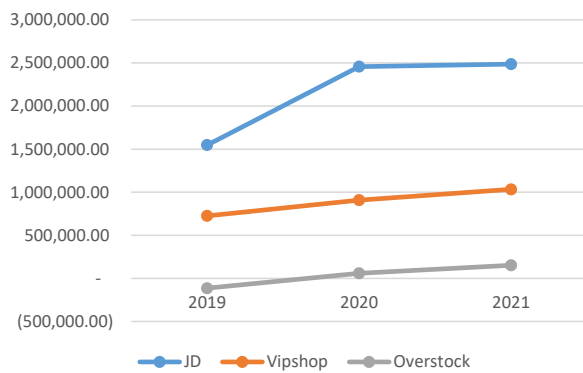
Profit

Profit



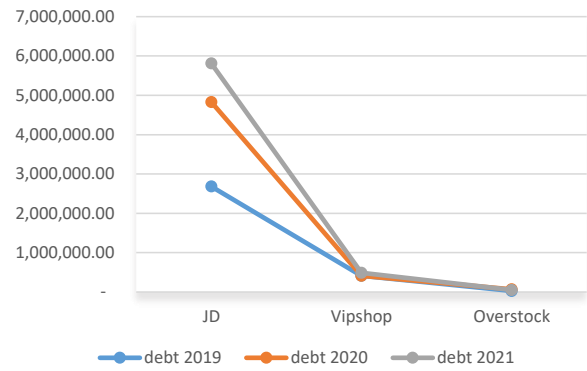
Net Income

Net Income



Debt

Debt



Cash Flow from Investing Activities

Cash Flow from Investing Activities

