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**JD Logistics, Inc.**

**京东物流股份有限公司**

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

(Stock Code: 2618)

## **ANNOUNCEMENT OF THE RESULTS FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of JD Logistics, Inc. (the “**Company**” or “**JD Logistics**”) is pleased to announce the unaudited consolidated results of the Company, its subsidiaries and consolidated affiliated entities (collectively, the “**Group**”) for the three months and six months ended June 30, 2024. These interim results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group. In addition, “**JD Group**” refers to JD.com, Inc. (NASDAQ: JD; HKEX: 9618 (HKD counter) and 89618 (RMB counter)) and its subsidiaries, including JD Health International Inc. (HKEX: 6618 (HKD counter) and 86618 (RMB counter)), and its consolidated affiliated entities, excluding the Group. Any discrepancies in percentage ratios are due to rounding.

### **FINANCIAL HIGHLIGHTS**

	<b>Unaudited</b>		
	<b>Three months ended June 30,</b>	<b>2023</b>	<b>Year-over-year</b>
	<b>2024</b>		<b>change</b>
	<i>(RMB in thousands, except for percentages)</i>		
Revenue	<b>44,207,421</b>	41,032,908	7.7%
Gross profit	<b>5,252,911</b>	3,394,186	54.8%
Profit before income tax	<b>2,486,100</b>	630,768	294.1%
Profit for the period	<b>2,245,043</b>	507,964	342.0%
Non-IFRS profit for the period <sup>(1)</sup>	<b>2,455,535</b>	825,715	197.4%
<i>Non-IFRS profit margin for the period<sup>(1)</sup></i>	<b>5.6%</b>	2.0%	3.5 percentage points
Non-IFRS EBITDA for the period <sup>(1)</sup>	<b>5,633,097</b>	3,748,789	50.3%
<i>Non-IFRS EBITDA margin for the period<sup>(1)</sup></i>	<b>12.7%</b>	9.1%	3.6 percentage points

	<b>Unaudited</b>		
	<b>Six months ended June 30,</b>	<b>2023</b>	<b>Year-over-year</b>
	<b>2024</b>		<b>change</b>
	<i>(RMB in thousands, except for percentages)</i>		
Revenue	<b>86,344,759</b>	77,761,309	11.0%
Gross profit	<b>8,484,133</b>	5,029,922	68.7%
Profit/(loss) before income tax	<b>2,889,199</b>	(382,212)	N/A
Profit/(loss) for the period	<b>2,567,348</b>	(528,874)	N/A
Non-IFRS profit for the period <sup>(1)</sup>	<b>3,118,186</b>	114,171	2,631.2%
<i>Non-IFRS profit margin for the period<sup>(1)</sup></i>	<b>3.6%</b>	0.1%	<i>3.5 percentage points</i>
Non-IFRS EBITDA for the period <sup>(1)</sup>	<b>9,283,156</b>	5,800,558	60.0%
<i>Non-IFRS EBITDA margin for the period<sup>(1)</sup></i>	<b>10.8%</b>	7.5%	<i>3.3 percentage points</i>

(1) See the section headed “Non-IFRS Measures” in this announcement for more information about the non-IFRS measures.

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2024.

## **CEO STATEMENT**

I am pleased to present our interim performance for the six months ended June 30, 2024 to our shareholders (the “Shareholders”).

## **BUSINESS REVIEW**

As a leading technology-driven supply chain solutions and logistics services provider, with the mission to “drive superior efficiency and sustainability for global supply chain through technology”, we adhered to our “customer-first” approach and continued to cultivate our primary business in the integrated supply chain services market, constantly creating value through our trusted supply chain services. Leveraging our gradually improved supply chain network coverage, continually strengthening digital and intelligence capabilities, and in-depth industry insights, we offer a full spectrum of integrated supply chain solutions and high-quality logistics services covering various industries to customers and consumers, to help customers reduce costs and enhance efficiency.

In the first half of 2024, as China’s economy continued to recover and improve, JD Logistics strived to cater to the needs of corporate customers for business development and transformation by providing flexible and efficient integrated supply chain solutions and services, which further solidified the competitiveness of our products and services and thus achieved high-quality growth. In the first half of 2024, our total revenue reached RMB86.3 billion, increased by 11.0% year-over-year. Revenue from external customers increased by 11.2% year-over-year to RMB59.9 billion, accounting for 69.4% of total revenue, representing a larger proportion compared with the same period of 2023.

In the first half of 2024, our non-IFRS profit reached RMB3.1 billion, representing a remarkable year-over-year increase of 2,631.2% and setting a new record for profitability. These significant results reflected our consistent efforts to enhance operational efficiency and business operation quality. In the warehousing stage, we have persistently optimized our network deployment and improved the level of automation, effectively boosting resource utilization efficiency. In the transportation stage, we have enhanced algorithm-based vehicle deployment capabilities to achieve optimal matching of transportation demand with available resources and optimized transportation routes. Additionally, adjustments and optimizations in our product structure have collectively led to significant cost reductions, efficiency enhancements, and substantial improvements in profitability.

We continued to promote the broad application of integrated supply chain solutions and high-quality logistics services, to help customers across a wide range of industries effectively improve operational efficiency, reduce operating costs and elevate customer experience. In the process of serving more customers, we have also accumulated valuable experience, continuously reinforcing our service capabilities.

We provide industry-specific integrated supply chain solutions and service products for customers in fast-moving consumer goods (“**FMCG**”), home appliances and home furniture, 3C, apparel, automotive, fresh produce, and other industries. In the first half of 2024, we deepened our collaboration with leading companies in various industries, such as home appliances, apparel, and alcoholic beverages. Additionally, we developed standardized service products tailored for mid-tier customers, which contributed to the robust growth of revenue from our external integrated supply chain customers.

In the first half of 2024, revenue from integrated supply chain customers reached RMB41.8 billion, of which RMB15.4 billion was from external customers, maintaining a stable growth trend.

Through our development strategies such as continuously strengthening competitiveness of products and services and energizing frontline sales, we achieved further growth in the number of our external integrated supply chain customers. In the first half of 2024, the number of our external integrated supply chain customers amounted to 64,379, a year-over-year increase of 5.9%. Meanwhile, we deepened and broadened our engagements with existing customers, supporting their digital and intelligent transformation initiatives in supply chain management. In the first half of 2024, the average revenue per customer (“**ARPC**”) of our external integrated supply chain customers amounted to RMB239 thousand.

Through our “Global Smart Supply Chain Network” plan, we have strategically developed our overseas warehousing to deliver high-quality, efficient, and comprehensive integrated supply chain solutions for Chinese go-global brands and overseas customers. In the past two years, our revenue from overseas integrated supply chain logistics services has maintained a strong growth trend. Our overseas warehouses now cover 18 countries and regions worldwide. Our integrated supply chain services have gradually become the preferred choice for overseas customers.

In the first half of 2024, we continued to expand the coverage of JD Express’s next-morning and next-day delivery, continuously upgrading customer experience and satisfaction. Leveraging the continuous improvement in capability of JD Airlines’ all-cargo airplanes, we significantly enhanced our service capabilities for the delivery of fresh produce such as cherry and lychee. This ensured the fast delivery of fresh fruits across the country with high-quality and reliable services. In Hong Kong and Macau, we have consistently elevated the service levels and customer experiences. According to survey results published by the State Post Bureau of the People’s Republic of China, our express delivery services have constantly maintained best-in-class customer satisfaction ratings.

Firmly committed to innovation and investment in technologies, we strive to bring cutting edge scientific breakthroughs into real-world applications with a team of dedicated research and development personnel, which totaled over 4,000 members as of June 30, 2024. At the same time, through service automation, operational digitalization and decision-making intelligentization, we continually seek solutions that strike a balance between cost and efficiency while optimizing user experience.

Meanwhile, we continued to strengthen our logistics infrastructure. As of June 30, 2024, we operated more than 1,600 warehouses, over 19,000 delivery stations and service outlets, and employed approximately 340,000 in-house delivery and operation personnel.

### **Integrated Supply Chain Logistics Solutions and Services**

We provide supply chain management services to our customers through integrated supply chain solutions, helping customers realize cost reductions and efficiency improvements and facilitating fast decision-making in a rapidly changing business environment. As supply chain management plays an important role in supporting the competitive strategy of a growing number of companies, we continually develop diversified supply chain solutions and service products. While capturing new business opportunities and attracting and serving more customers, we also continue to deepen our collaborations with existing customers.

In the first half of 2024, our revenue from integrated supply chain customers reached RMB41.8 billion, of which RMB15.4 billion was from external customers, maintaining a stable growth trend. The number of our external integrated supply chain customers amounted to 64,379, a year-over-year increase of 5.9%. The ARPC of our external integrated supply chain customers amounted to RMB239 thousand.

We provide industry-specific integrated supply chain solutions and service products to customers in FMCG, home appliances and home furniture, 3C, apparel, automotive, and fresh produce, and other industries. In the face of the constantly evolving business landscape and consumer market, we remain focused on “cost, efficiency and experience”, continuously upgrading and expanding our supply chain offerings to provide differentiated products and solutions tailored to diverse needs of our customers.

In the first half of 2024, we deepened our collaboration with leading companies in various industries, such as home appliances, apparel, and alcoholic beverages. Additionally, we developed standardized service products tailored for mid-tier customers, which contributed to the robust growth of revenue from our external integrated supply chain customers.

Our solutions and services have been widely adopted in the home appliances industry, gaining trust and recognition from numerous customers, particularly the leading brand customers in the industry. We provided multiple home appliances customers with omni-channel integrated supply chain services, optimizing their warehouse network deployment and inventory allocation. Additionally, we provided their end-customers with high-quality logistics services such as one-stop delivery and installation and simultaneous delivery and pick-up. In the second quarter of 2024, we offered a leading home appliances customer full-process services from factory outbound to warehousing nationwide and fulfillment to end-customers. This effectively integrated and shared inventory across its multiple online channels, improving inventory turnover efficiency by 20% and the on-time delivery rate by 23%, significantly enhancing the satisfaction of its end-customers. Additionally, based on our algorithmic capabilities and management experience in home appliances categories, we provided this customer with warehouse network planning, inventory layout and replenishment recommendations, effectively reducing cross-region fulfillment and overall logistics costs.

In the apparel industry, we provided warehousing and distribution integrated supply chain service for an apparel company with several international brands in the second quarter of 2024. This service included both forward and reverse logistics, and B2B (business-to-business) and B2C (business-to-consumer) omni-channel fulfillment. Leveraging our accumulated management and operational experience in the apparel industry, we carried out internal layout and operation workflow design inside the warehouse, which realized visualized management of different brands. With a “one SKU, one location” stocking model, we realized efficient inbound and outbound inventory management, timely delivery, and flexible replenishment and transfer logistics services between stores.

In the alcoholic beverage industry, we have developed specialized integrated supply chain logistics services addressing the specific challenges of corporate customers, such as damage during transportation, fluctuations in multi-channel sales orders, and long delivery times affecting the end-customer experience. We have successfully collaborated with multiple brands and distributors in the alcoholic beverage industry, covering customers in sub-sectors such as white wine, red wine, and yellow rice wine, which was highly appreciated by customers. Customers utilizing JD Logistics’ services have quickly achieved nationwide warehouse deployment planning and effective inventory distribution, significantly shortening the fulfillment time for online multi-channel orders and reducing in-transit damage rates.

While continuously expanding our market share in China’s integrated supply chain market, we also provide high-quality, efficient, and comprehensive integrated supply chain solutions to a growing number of Chinese go-global brands and overseas customers, helping more corporate customers achieve efficient global distribution and realize stable and sustainable development. In the past two years, our revenue from international integrated supply chain logistics services has maintained a strong growth trend, with our overseas warehousing and distribution services increasingly becoming the preferred choice for both Chinese go-global brands and overseas customers.

We have provided integrated warehousing and distribution logistics services to a number of overseas customers in the United States, the Netherlands, Germany, Australia, among other countries, earning their trust and recognition.

In the second quarter of 2024, we provided a door-to-door, full-process automotive spare parts supply chain service for a Chinese automotive brand expanding overseas. Our full-process logistics services included “domestic factory pickups, ocean freight export, customs clearance at port of destination, and overseas inbound and warehousing and distribution services”. This service offering has successfully created a new model for spare parts of Chinese automotive brands going global, effectively shortening the procurement cycle and delivery time for overseas distributors and reducing their operational burden.

### **Other customers**

In the first half of 2024, our revenue from other customers increased by 14.5% year-over-year to RMB44.5 billion. While expanding our integrated supply chain logistics solutions and service capabilities, we have also collaborated with Deppon Logistics Co., Ltd. (“**Deppon Logistics**”) to continually strengthen the development of our foundational network capabilities. This will ensure that our standardized products, such as express delivery and freight delivery services, comprehensively represent the highest industry standards in terms of quality, reliability and convenience.

In terms of express delivery services, following the launch of our next-morning delivery service in key cities such as Beijing and Shanghai at the end of 2023, we continued to increase the proportion of next-morning orders in these cities this year, consistently shortening fulfillment time. On the basis of the next-morning delivery service, we, centering on customer needs, further launched and expanded the coverage of several high-standard products and services, including “Compensation For Orders Not Picked Up Within One Hour” and “Nighttime Pickups”. These initiatives have consistently elevated customer experience and satisfaction, driving business growth.

In the first half of 2024, we completed the express delivery service for production zones of fruits, such as lychee, cherry, peach, and waxberry. By stationing delivery personnel in orchards for pickups, setting up sorting centers in production zones, packaging upgrades, and leveraging on the continuous improvement in capability of JD Airlines all-cargo airplanes, we significantly enhanced our service capabilities for the delivery of fresh produce such as cherry and lychee. This ensured that we delivered fresh fruits fast across the country with high quality and reliable services. Additionally, we continued to deepen and expand cooperation with multiple livestreaming e-commerce platforms. With our comprehensive infrastructure and network coverage, digital capabilities for real-time tracking throughout the process, and ever-improving fulfillment quality and service experience, our business volume and revenue growth improved continuously.

In Hong Kong and Macau, JD Logistics continued to bring compelling services and experience to more customers, with intra-city orders delivered within 4 hours continually increasing.

Regarding the freight delivery services, we steadily advanced the network integration of Deppon Logistics and JD Logistics’ freight delivery business, particularly with respect to transit and transportation, to achieve cost reduction and efficiency enhancement, and further expand our market share with comprehensive and flexible products and services.

## Logistics Technology

Technological innovation has always been our priority. We are committed to seamlessly and naturally integrating innovative technology-based services into diverse scenarios and exploring pioneering technologies, through our digital, intelligent hardware and software integrated logistics technology products and solutions, to foster cost reductions, efficiency enhancements and industry upgrades, ultimately promoting the industry's high-quality development. Currently, our technology-driven products and solutions cover key supply chain logistics processes across logistics parks, warehousing, sortation, transportation and delivery. Our product portfolio including logistics technology software and hardware covering the entire supply chain process has empowered us to break through key scenarios, such as smart warehousing and intelligent logistics parks. Furthermore, we have built technical service capabilities covering the full spectrum of supply chain scenarios, through critical technologies such as digital twinning and artificial intelligence. Our core technology products include high-density storage and goods-to-person systems, automatic guided vehicles, automatic put walls, intelligent delivery vehicles, among others. Meanwhile, we continue to improve the level of automation throughout the supply chain process.

In the warehousing and sorting stage, we consistently upgrade our warehousing automation solutions, deploy flexible sorting equipment and integrate digital and intelligent capabilities such as algorithm technology into our daily operations, optimizing category layout within our warehouses, effectively improving storage density and sorting efficiency, and optimizing our network deployment.

In the first half of 2024, we minimized handling distances in our FMCG warehouses by optimizing the operational processes and merchandise layout and establishing the designated areas for best-sellers and high-demand products. Furthermore, we employed different picking models according to the characteristics of the products. This approach, complemented by the application of online maps in the warehouses, further optimized the shelving and picking routes for better overall operational efficiency.

At the same time, based on our practical experience in warehousing operations and insights on the pain points of sub-scenarios, we continued to upgrade our smart warehousing products, which has enabled us in gaining recognition from more customers in various industries over time. In the second quarter of 2024, we offered customized services for the first time to a leading domestic semiconductor company. Utilizing JD Logistics' self-developed Tianlang (天狼) goods-to-person systems and full-process unmanned warehousing and distribution solutions, we were able to satisfy demands for the higher security, stability, and reliability in the process of production, storage, and transportation for semiconductor. This initiative represents another significant breakthrough, building on our established successes in the 3C, automotive spare parts, and pharmaceutical industries.

In the road transportation stage, we have significantly advanced the development of our inter-city long-haul and intra-city short-haul scheduling platforms, effectively breaking down regional and organizational barriers. This has enabled us to realize the integration of multi-channel resource pools across various business scenarios and improved the utilization efficiency of self-operated vehicles. Through the in-depth expansion of the application of intelligent algorithms, we have integrated the demand for transportation services and achieved the optimal matching with transportation resources. While enhancing the stability of transportation capacity, we have optimized the routes to reduce our capacity costs for efficient transportation services.

With the shift towards green and low-carbon development, an increasing number of our customers are striving to achieve their precise carbon reduction goals by upgrading in green supply chains. Accordingly, we developed the Supply Chain Emission Management Platform (the “**SCEMP**”), which is certified with ISO14064 and includes factors for over 100 types of road transportation factors in the logistics industry. For the first time, SCEMP realizes full lifecycle carbon footprint control on order-level and is designed to provide customers with statistical monitoring, reporting, verification and tracking of carbon emissions data in the process of logistics and transportation. Utilizing advanced big data calculations, SCEMP enables carbon reduction with scientific precision. As of the end of June 2024, over 25 globally renowned customers are using this platform to monitor their carbon emissions data.

In April 2024, the supply chain logistics optimization technology jointly applied by JD Logistics and JD Group claimed the Institute for Operations Research and the Management Sciences (“**INFORMS**”) award, which is the top award in international operations research.

As of June 30, 2024, JD Logistics had received authorization for over 4,000 patents and software, among which, more than 2,000 are related to automation technology and unmanned technology.

## **Logistics Infrastructure and Networks**

Our supply chain solutions and logistics services are supported by six highly synergized networks, including our warehouse network, line-haul transportation network, last-mile delivery network, bulky item logistics network, cold chain logistics network and cross-border logistics network, which together constitute the cornerstone of our supply chain solutions and logistics services.

### ***Warehouse network***

Our nationwide warehouse network is one of the largest in China and serves as a critical component of our integrated supply chain solutions and logistics services.

As of June 30, 2024, our warehouse network covered nearly all counties and districts in China, consisting of over 1,600 self-operated warehouses and over 2,000 third-party warehouse owner-operated cloud warehouses under our Open Warehouse Platform. Our warehouse network has an aggregate gross floor area (“**GFA**”) of more than 32 million square meters, including warehouse space managed through the Open Warehouse Platform.

We harness the power of technology to enhance the operational efficiency of our warehouse network. One notable example is our Asia No. 1 smart industrial parks, which also demonstrate our industry-leading technological innovations and high technology standards. As of June 30, 2024, we operated 42 Asia No. 1 smart industrial parks in 30 cities across China.

In addition, we have established collaborations with numerous cloud warehouses under our Open Warehouse Platform to form a stronger ecosystem with continuously upgraded system capabilities and enhanced operational stability. This will help enrich our integrated supply chain logistics product portfolio to meet the needs of diverse customers and ultimately facilitate their cost reductions and efficiency improvements.



### ***Line-haul transportation network***

Our line-haul transportation network includes various modes of transportation, such as land, air, maritime, and multimodal transportation. We primarily adopt a synergistic approach to expand the coverage of our line-haul transportation network, collaborating with our strategic partners to expand network coverage and flexibility.

As of June 30, 2024, we had a self-operated fleet of approximately 50,000 vehicles, with new energy vehicles deployed in multiple cities nationwide. In the first half of 2024, we added over 2,000 new energy vehicles on a year-over-year basis, extending our commitment to the adoption of clean energy vehicles. Through our partnerships, we covered more than 600 railway routes and over 2,000 air cargo routes.

In June 2024, we expanded our fleet with the addition of one self-operated all-cargo aircraft. As of June 30, 2024, JD Airlines has 7 self-operated all-cargo airplanes in regular operation and has launched “Nantong, China — Incheon, South Korea” and “Wuhu, China — Hanoi, Vietnam” round-trip international cargo routes, marking a further step in the deployment of JD Airlines’ global logistics network.

### ***Last-mile delivery network***

Our last-mile delivery network primarily consists of our in-house delivery personnel, delivery stations, service outlets, service stations and self-service lockers. They enable us to provide best-in-class last-mile delivery services, which are critical in improving end-customer satisfaction and strengthening our brand image.

As of June 30, 2024, we employed approximately 340,000 in-house delivery and operation personnel and operated over 19,000 delivery stations and service outlets, covering more than 300 prefecture-level administrative regions in 33 provincial-level regions in China. The vast majority of our delivery stations and service outlets are self-operated to ensure top-quality services.

### ***Bulky item logistics network***

Our bulky item logistics network, comprised of multi-level warehouses, to-door delivery, value-added installation, and after-sales service capabilities, ensures that we provide a compelling experience by offering one-stop delivery and installation services to consumers.

As of June 30, 2024, we had over 200 warehouses with bulky- and heavy-item storage capabilities and more than 200 sorting centers, with an aggregate GFA of over 4 million square meters.

For lower-tier cities with growing e-commerce penetration, we leverage the resources of our network partners under the Jing Dong Bang (京東幫) brand to expand our network coverage. As of June 30, 2024, we utilized approximately 1,800 bulky item delivery and installation stations under Jing Dong Bang (京東幫).

### ***Cold chain logistics network***

As of June 30, 2024, we operated nearly 60 temperature-controlled cold storage warehouses designated for fresh, frozen and refrigerated products with an operation area of approximately 400,000 square meters. In addition, as of June 30, 2024, we operated more than 30 warehouses designated for pharmaceuticals and medical devices with an operation area of over 300,000 square meters.

### ***Cross-border logistics network***

As of June 30, 2024, we operated approximately 100 bonded warehouses, international direct distribution warehouses and overseas warehouses, covering an aggregate GFA of nearly 1 million square meters.

Leveraging our domestic warehousing operation experience, we help Chinese manufacturers and other Chinese brands enter overseas markets through our one-stop services, driven by the application of advanced automation equipment, upgrading of inventory management system, and optimization of operational processes. We also provide global customers with high-quality, efficient, comprehensive integrated supply chain solutions. In the first half of 2024, we opened new overseas warehouses in countries and regions including the United States and the United Arab Emirates. As of June 30, 2024, we have established overseas warehouses in 18 countries and regions worldwide, including the United States, Germany, the Netherlands, France, the United Kingdom, Vietnam, the United Arab Emirates, Australia and Malaysia. Meanwhile, with overseas warehousing capabilities as the core, we continue to construct our comprehensive global supply chain logistics network encompassing overseas warehouse networks, international transit hubs, local transportation and delivery networks in overseas countries, and cross-border transportation networks to provide services to more customers.

### **Corporate Social Responsibility**

JD Group is a new real economy-based enterprise with digitalized technologies and capabilities. As such, JD Logistics has always fulfilled our social responsibilities by fully leveraging our advantages in integrated supply chain logistics services and exporting the supply chain logistics capabilities we have cultivated over the years, thereby promoting high-quality supply chain development for society as a whole.

As outlined in our 2023 Environmental, Social, and Governance (ESG) report released in April 2024, JD Logistics is dedicated to utilizing our integrated supply chain capabilities to promote industry upgrades, serve diverse industries, connect regional economies, advance rural revitalization, and assist Chinese go-global brands. We aim to help businesses and industries achieve cost reduction and efficiency enhancement while ensuring high-quality employment and driving green, sustainable development throughout the supply chain with various initiatives.

We are committed to green and low-carbon principles. In the first half of 2024, we added over 2,000 new energy vehicles on a year-over-year basis, which enabled us to continue the use of clean energy vehicles. By installing photovoltaic panels on our logistics parks' roofs and using more than 20,000 megawatt-hours of green electricity, we have significantly reduced carbon emissions across different stages of our operations.

Driven by our unwavering commitment and unremitting efforts to creating more jobs and making contribution to the society, JD Logistics' total expenditure for human resources, including both our own employees and external personnel who work for JD Logistics, amounted to RMB86.0 billion for the twelve months ended June 30, 2024.

Going forward, we will continue to strengthen our integrated supply chain logistics capabilities by solidifying our logistics infrastructure, supply chain technology and business insights. Meanwhile, with our deep roots in the real economy, we will actively fulfill our social responsibilities, and promote the sustainable, high-quality development of enterprises, industries and our society.

### **Appreciation**

On behalf of the Board, I would like to express sincere gratitude to all our employees, customers and our partners, as well as my heartfelt thanks to Shareholders and stakeholders for their consistent support and trust. Going forward, we will continue to spare no efforts to facilitate the development of the real economy and the advancement of emerging industries with our technology-driven integrated supply chain solutions. We will also remain firmly committed to delivering high-quality service experiences to our customers while collaborating with our partners to reduce social logistics costs, and drive efficiency improvement for business and society.

**Wei Hu**

*Executive Director and Chief Executive Officer*

August 15, 2024

# MANAGEMENT DISCUSSION AND ANALYSIS

## Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

The following table sets forth the comparative figures for the three months ended June 30, 2024 and 2023, respectively:

	<b>Unaudited</b>	
	<b>Three months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	44,207,421	41,032,908
Cost of revenue	<u>(38,954,510)</u>	<u>(37,638,722)</u>
<b>Gross profit</b>	<b>5,252,911</b>	3,394,186
Selling and marketing expenses	(1,367,748)	(1,211,559)
Research and development expenses	(880,807)	(920,738)
General and administrative expenses	(793,799)	(784,288)
Others, net <sup>(1)</sup>	<u>275,543</u>	<u>153,167</u>
<b>Profit before income tax</b>	<b>2,486,100</b>	630,768
Income tax expense	<u>(241,057)</u>	<u>(122,804)</u>
<b>Profit for the period</b>	<b><u>2,245,043</u></b>	<b><u>507,964</u></b>
<b>Profit for the period attributable to:</b>		
Owners of the Company	2,025,760	351,673
Non-controlling interests	<u>219,283</u>	<u>156,291</u>
	<b><u>2,245,043</u></b>	<b><u>507,964</u></b>
<b>Non-IFRS measures:</b>		
Non-IFRS profit for the period	2,455,535	825,715
Non-IFRS EBITDA for the period	5,633,097	3,748,789

(1) Including “other income, gains/(losses), net”, “gains on disposal of industrial parks”, “finance income”, “finance costs”, “impairment losses under expected credit loss model, net of reversal”, and “share of results of associates and joint ventures”.

## Revenue

Given the central role of inventory management in the Group's integrated supply chain solutions and logistics services, customers of the Group are categorized based on whether such customers have utilized the Group's warehouse or inventory management related services. Customers are reviewed by the Group on a regular basis, and customers who have utilized the Group's warehouse or inventory management related services in the recent past are classified as the Group's integrated supply chain customers. The following table sets forth a breakdown of our revenue by integrated supply chain customers and other customers, both in absolute amount and as a percentage of our total revenue for the periods presented.

	Unaudited			
	Three months ended June 30, 2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Integrated supply chain customers	<b>21,298,667</b>	<b>48.2</b>	20,401,767	49.7
Other customers	<b>22,908,754</b>	<b>51.8</b>	20,631,141	50.3
Total	<b>44,207,421</b>	<b>100.0</b>	41,032,908	100.0

Revenue increased by 7.7% to RMB44.2 billion for the three months ended June 30, 2024, from RMB41.0 billion for the same period of 2023. The increase in our total revenue was driven by the increase in revenue from integrated supply chain customers and the increase in revenue from other customers.

Revenue from integrated supply chain customers increased by 4.4% to RMB21.3 billion for the three months ended June 30, 2024, from RMB20.4 billion for the same period of 2023. The increase in revenue from integrated supply chain customers was primarily attributable to (i) an increase in revenue from JD Group, and (ii) the increase of revenue from external integrated supply chain customers, with a year-over-year increase in the number of external integrated supply chain customers. The number of our external integrated supply chain customers, who have contributed to our revenue for the periods presented, increased to 57,889 for the three months ended June 30, 2024, from 52,063 for the same period of 2023. The increase in the number of external integrated supply chain customers was due to the increased demand for our services as well as our ongoing sales and marketing efforts. Our ARPC was RMB134,147 for the three months ended June 30, 2024, compared to RMB148,860 for the same period of 2023.

Revenue from other customers increased by 11.0% to RMB22.9 billion for the three months ended June 30, 2024, from RMB20.6 billion for the same period of 2023, primarily driven by the increase in business volume of express delivery and freight delivery services.

The following table sets forth a breakdown of revenue by (i) JD Group and (ii) others (including revenue generated from third-party merchants on the online marketplace of JD Group), both in absolute amount and as a percentage of our total revenue for the periods presented.

	<b>Unaudited</b>			
	<b>Three months ended June 30,</b>		<b>2023</b>	
	<b>2024</b>			
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
From JD Group	<b>13,533,049</b>	<b>30.6</b>	12,651,655	30.8
From others	<b>30,674,372</b>	<b>69.4</b>	28,381,253	69.2
<b>Total</b>	<b><u>44,207,421</u></b>	<b><u>100.0</u></b>	<u>41,032,908</u>	<u>100.0</u>

### *Cost of revenue*

Cost of revenue increased by 3.5% to RMB39.0 billion for the three months ended June 30, 2024, from RMB37.6 billion for the same period of 2023. As a percentage of revenue, cost of revenue decreased by 3.6 percentage points to 88.1% from 91.7% on a year-over-year basis, primarily driven by (i) optimized product and network structure, (ii) enhanced operating efficiency driven by technology, and (iii) enhanced utilization of resources driven by refined management and control measures.

Employee benefit expenses for employees involved in warehouse management, sorting, picking, packaging, shipping, delivery and customer services increased by 13.1% to RMB15.1 billion for the three months ended June 30, 2024 from RMB13.4 billion for the same period of 2023, primarily driven by the increase in the number of operational employees, which was in line with the growth of our business.

Outsourcing cost, mainly including costs charged by third-party transportation companies, express delivery companies and other service providers for sorting, shipping, delivery and labor outsourcing services, remained relatively stable at RMB14.0 billion and RMB14.5 billion for the three months ended June 30, 2024 and for the same period of 2023, respectively.

Rental cost, mainly including depreciation of right-of-use assets and leasing expenses for short-term leases, remained stable at RMB3.3 billion and RMB3.3 billion for the three months ended June 30, 2024 and for the same period of 2023, respectively.

Depreciation of property and equipment and amortization of other intangible assets remained stable at RMB1.0 billion and RMB1.0 billion for the three months ended June 30, 2024 and for the same period of 2023, respectively.

Other cost of revenue, mainly including fuel cost, road and bridge tolls, cost of packaging and other consumable materials, cost of installation and maintenance services, office expenses and compensation expenses, remained stable at RMB5.5 billion and RMB5.5 billion for the three months ended June 30, 2024 and for the same period of 2023, respectively.

### ***Gross profit and gross profit margin***

As a combined result of revenue growth and cost productivity gain, gross profit increased to RMB5.3 billion for the three months ended June 30, 2024, from RMB3.4 billion for the same period of 2023. Gross profit margin increased to 11.9% for the three months ended June 30, 2024, from 8.3% for the same period of 2023, primarily attributable to our efforts in efficiency improvement and cost reduction as mentioned above.

### ***Selling and marketing expenses***

Selling and marketing expenses increased by 12.9% to RMB1.4 billion for the three months ended June 30, 2024, from RMB1.2 billion for the same period of 2023, primarily driven by the expansion of selling and marketing team to promote our service offerings.

### ***Research and development expenses***

Research and development expenses remained relatively stable at RMB880.8 million and RMB920.7 million for the three months ended June 30, 2024 and for the same period of 2023, respectively.

### ***General and administrative expenses***

General and administrative expenses remained relatively stable at RMB793.8 million and RMB784.3 million for the three months ended June 30, 2024 and for the same period of 2023, respectively.

### ***Profit for the period***

We recorded a net profit of RMB2.2 billion for the three months ended June 30, 2024, compared to a net profit of RMB0.5 billion for the same period of 2023. The increase in net profit on a year-over-year basis was primarily attributable to the increase in gross profit.

## Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The following table sets forth the comparative figures for the six months ended June 30, 2024 and 2023, respectively:

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	<b>86,344,759</b>	77,761,309
Cost of revenue	<b>(77,860,626)</b>	(72,731,387)
<b>Gross profit</b>	<b>8,484,133</b>	5,029,922
Selling and marketing expenses	<b>(2,779,309)</b>	(2,353,216)
Research and development expenses	<b>(1,743,264)</b>	(1,824,511)
General and administrative expenses	<b>(1,663,325)</b>	(1,675,410)
Others, net <sup>(1)</sup>	<b>590,964</b>	441,003
<b>Profit/(loss) before income tax</b>	<b>2,889,199</b>	(382,212)
Income tax expense	<b>(321,851)</b>	(146,662)
<b>Profit/(loss) for the period</b>	<b>2,567,348</b>	(528,874)
<b>Profit/(loss) for the period attributable to:</b>		
Owners of the Company	<b>2,264,189</b>	(637,211)
Non-controlling interests	<b>303,159</b>	108,337
	<b>2,567,348</b>	(528,874)
<b>Non-IFRS measures:</b>		
Non-IFRS profit for the period	<b>3,118,186</b>	114,171
Non-IFRS EBITDA for the period	<b>9,283,156</b>	5,800,558

(1) Including “other income, gains/(losses), net”, “gains on disposal of industrial parks”, “finance income”, “finance costs”, “impairment losses under expected credit loss model, net of reversal”, and “share of results of associates and joint ventures”.



## Revenue

The following table sets forth a breakdown of our revenue by integrated supply chain customers and other customers, both in absolute amount and as a percentage of our total revenue for the periods presented.

	Unaudited			
	Six months ended June 30, 2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Integrated supply chain customers	<b>41,800,092</b>	<b>48.4</b>	38,852,514	50.0
Other customers	<b>44,544,667</b>	<b>51.6</b>	38,908,795	50.0
Total	<b>86,344,759</b>	<b>100.0</b>	77,761,309	100.0

Revenue increased by 11.0% to RMB86.3 billion for the six months ended June 30, 2024, from RMB77.8 billion for the same period of 2023. The increase in our total revenue was driven by the increase in revenue from integrated supply chain customers and the increase in revenue from other customers.

Revenue from integrated supply chain customers increased by 7.6% to RMB41.8 billion for the six months ended June 30, 2024, from RMB38.9 billion for the same period of 2023. The increase in revenue from integrated supply chain customers was primarily attributable to (i) an increase in revenue from JD Group, and (ii) the increase of revenue from external integrated supply chain customers, with a year-over-year increase in the number of external integrated supply chain customers. The number of our external integrated supply chain customers, who have contributed to our revenue for the periods presented, increased to 64,379 for the six months ended June 30, 2024, from 60,792 for the same period of 2023. The increase in the number of external integrated supply chain customers was due to the increased demand for our services as well as our ongoing sales and marketing efforts. Our ARPC was RMB238,967 for the six months ended June 30, 2024, compared to RMB246,548 for the same period of 2023.

Revenue from other customers increased by 14.5% to RMB44.5 billion for the six months ended June 30, 2024, from RMB38.9 billion for the same period of 2023, primarily driven by the increase in business volume of express delivery and freight delivery services.

The following table sets forth a breakdown of revenue by (i) JD Group and (ii) others (including revenue generated from third-party merchants on the online marketplace of JD Group), both in absolute amount and as a percentage of our total revenue for the periods presented.

	<b>Unaudited</b>			
	<b>Six months ended June 30,</b>			
	<b>2024</b>		<b>2023</b>	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
From JD Group	<b>26,415,629</b>	<b>30.6</b>	23,864,353	30.7
From others	<b>59,929,130</b>	<b>69.4</b>	53,896,956	69.3
<b>Total</b>	<b><u>86,344,759</u></b>	<b><u>100.0</u></b>	<b><u>77,761,309</u></b>	<b><u>100.0</u></b>

### *Cost of revenue*

Cost of revenue increased by 7.1% to RMB77.9 billion for the six months ended June 30, 2024, from RMB72.7 billion for the same period of 2023. As a percentage of revenue, cost of revenue decreased by 3.4 percentage points to 90.2% from 93.5% on a year-over-year basis, primarily driven by (i) optimized product and network structure, (ii) enhanced operating efficiency driven by technology, and (iii) enhanced utilization of resources driven by refined management and control measures.

Employee benefit expenses for employees involved in warehouse management, sorting, picking, packaging, shipping, delivery and customer services increased by 14.9% to RMB29.9 billion for the six months ended June 30, 2024, from RMB26.0 billion for the same period of 2023, primarily driven by the increase in the number of operational employees, which was in line with the growth of our business.

Outsourcing cost, mainly including costs charged by third-party transportation companies, express delivery companies and other service providers for sorting, shipping, delivery and labor outsourcing services, remained relatively stable at RMB28.5 billion and RMB28.0 billion for the six months ended June 30, 2024 and for the same period of 2023, respectively.

Rental cost, mainly including depreciation of right-of-use assets and leasing expenses for short-term leases, remained relatively stable at RMB6.6 billion and RMB6.4 billion for the six months ended June 30, 2024 and for the same period of 2023, respectively.

Depreciation of property and equipment and amortization of other intangible assets remained relatively stable at RMB2.1 billion and RMB1.9 billion for the six months ended June 30, 2024 and for the same period of 2023, respectively.

Other cost of revenue, mainly including fuel cost, road and bridge tolls, cost of packaging and other consumable materials, cost of installation and maintenance services, office expenses and compensation expenses, remained relatively stable at RMB10.7 billion and RMB10.5 billion for the six months ended June 30, 2024 and for the same period of 2023, respectively.

### ***Gross profit and gross profit margin***

As a combined result of revenue growth and cost productivity gain, gross profit increased to RMB8.5 billion for the six months ended June 30, 2024, from RMB5.0 billion for the same period of 2023. Gross profit margin increased to 9.8% for the six months ended June 30, 2024, from 6.5% for the same period of 2023, primarily attributable to our efforts in efficiency improvement and cost reduction as mentioned above.

### ***Selling and marketing expenses***

Selling and marketing expenses increased by 18.1% to RMB2.8 billion for the six months ended June 30, 2024, from RMB2.4 billion for the same period of 2023, primarily driven by the expansion of selling and marketing team to promote our service offerings.

### ***Research and development expenses***

Research and development expenses remained relatively stable at RMB1.7 billion and RMB1.8 billion for the six months ended June 30, 2024 and for the same period of 2023, respectively.

### ***General and administrative expenses***

General and administrative expenses remained stable at RMB1.7 billion and RMB1.7 billion for the six months ended June 30, 2024 and for the same period of 2023, respectively.

### ***Others, net***

Others, net increased by 34.0% to RMB591.0 million for the six months ended June 30, 2024, from RMB441.0 million for the same period of 2023. The increase was primarily attributable to (i) the turnaround to a gain of RMB12.6 million for the six months ended June 30, 2024 from a loss of RMB140.1 million for the same period of 2023 on impairment losses under expected credit loss model, net of reversal, and (ii) gains on disposal of industrial parks of RMB88.8 million for the six months ended June 30, 2024.

### ***Profit/(loss) for the period***

We recorded a net profit of RMB2.6 billion for the six months ended June 30, 2024, compared to a net loss of RMB0.5 billion for the same period of 2023. The turnaround to a net profit for the six months ended June 30, 2024 from a net loss for the same period of 2023 was primarily attributable to the increase in gross profit.

## Non-IFRS Measures

To supplement our consolidated results, which are presented in accordance with the International Financial Reporting Standards (“IFRS”), we also use non-IFRS profit/(loss) and non-IFRS EBITDA as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe these non-IFRS measures facilitate comparisons of core operating performance from period to period and from company to company by eliminating potential impacts of items which our management considers non-indicative of our core operating performance.

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

The following table reconciles the most directly comparable financial measures, which are profit/(loss) calculated and presented in accordance with IFRS, to the non-IFRS profit/(loss) for the periods presented:

	<b>Unaudited</b>	
	<b>Three months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<i>(RMB in thousands, except for percentages)</i>	
<b>Reconciliation of profit to non-IFRS profit:</b>		
Profit for the period	2,245,043	507,964
<i>Adjusted for:</i>		
Share-based payments	41,830	200,584
Amortization of intangible assets resulting from acquisitions <sup>(1)</sup>	141,829	141,829
Fair value changes of financial assets at fair value through profit or loss <sup>(2)</sup>	73,240	(24,662)
Gains on disposal of industrial parks <sup>(3)</sup>	(46,407)	—
	<u>2,455,535</u>	<u>825,715</u>
<b>Non-IFRS profit for the period</b>		
	<u>2,455,535</u>	<u>825,715</u>
<b>Non-IFRS profit for the period attributable to:</b>		
Owners of the Company	2,198,138	616,693
Non-controlling interests	257,397	209,022
	<u>2,455,535</u>	<u>825,715</u>
<b>Non-IFRS profit margin for the period<sup>(4)</sup></b>	<b>5.6%</b>	<b>2.0%</b>

**Unaudited**  
**Six months ended June 30,**  
**2024**                      **2023**  
*(RMB in thousands,*  
*except for percentages)*

**Reconciliation of profit/(loss) to non-IFRS profit:**

Profit/(loss) for the period	<b>2,567,348</b>	(528,874)
<i>Adjusted for:</i>		
Share-based payments	<b>237,334</b>	451,699
Amortization of intangible assets resulting from acquisitions <sup>(1)</sup>	<b>283,658</b>	283,658
Fair value changes of financial assets at fair value through profit or loss <sup>(2)</sup>	<b>118,642</b>	(92,312)
Gains on disposal of industrial parks <sup>(3)</sup>	<b>(88,796)</b>	—

**Non-IFRS profit for the period**

<b>3,118,186</b>	<b>114,171</b>
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**Non-IFRS profit/(loss) for the period attributable to:**

Owners of the Company	<b>2,739,046</b>	(95,570)
Non-controlling interests	<b>379,140</b>	209,741

<b>3,118,186</b>	<b>114,171</b>
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**Non-IFRS profit margin for the period<sup>(4)</sup>**

<b>3.6%</b>	<b>0.1%</b>
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- (1) Represents the amortization expenses of other intangible assets acquired in business combinations with finite useful lives, which is recognized on a straight-line basis over the estimated useful lives.
- (2) Represents gains or losses from fair value changes on equity investments measured at fair value. Multiple valuation techniques and key inputs are used to determine the fair values of these investments.
- (3) Represents gains generated from the disposal of certain industrial parks held by the Group. We exclude this reconciling item as it is non-recurring and non-indicative of our core operating performance.
- (4) Represents non-IFRS profit divided by revenue for the periods presented.

The following table reconciles the most directly comparable financial measures, which are profit/(loss) calculated and presented in accordance with IFRS, to the non-IFRS EBITDA for the periods presented:

	<b>Unaudited</b>	
	<b>Three months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<i>(RMB in thousands, except for percentages)</i>	
<b>Reconciliation of profit to non-IFRS EBITDA:</b>		
Profit for the period	2,245,043	507,964
<i>Adjusted for:</i>		
Share-based payments	41,830	200,584
Fair value changes of financial assets at fair value through profit or loss <sup>(1)</sup>	73,240	(24,662)
Gains on disposal of industrial parks <sup>(2)</sup>	(46,407)	—
Depreciation and amortization <sup>(3)</sup>	3,155,850	3,014,156
Finance income	(333,406)	(345,453)
Finance costs	255,890	273,396
Income tax expense	241,057	122,804
	<u>5,633,097</u>	<u>3,748,789</u>
<b>Non-IFRS EBITDA for the period</b>	<b>5,633,097</b>	<b>3,748,789</b>
<b>Non-IFRS EBITDA margin for the period<sup>(4)</sup></b>	<b>12.7%</b>	<b>9.1%</b>

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<i>(RMB in thousands, except for percentages)</i>	
<b>Reconciliation of profit/(loss) to non-IFRS EBITDA:</b>		
Profit/(loss) for the period	2,567,348	(528,874)
<i>Adjusted for:</i>		
Share-based payments	237,334	451,699
Fair value changes of financial assets at fair value through profit or loss <sup>(1)</sup>	118,642	(92,312)
Gains on disposal of industrial parks <sup>(2)</sup>	(88,796)	—
Depreciation and amortization <sup>(3)</sup>	6,331,885	5,965,730
Finance income	(719,931)	(683,976)
Finance costs	514,823	541,629
Income tax expense	321,851	146,662
	<u>9,283,156</u>	<u>5,800,558</u>
<b>Non-IFRS EBITDA for the period</b>	<b>9,283,156</b>	<b>5,800,558</b>
<b>Non-IFRS EBITDA margin for the period<sup>(4)</sup></b>	<b>10.8%</b>	<b>7.5%</b>

- (1) Represents gains or losses from fair value changes on equity investments measured at fair value. Multiple valuation techniques and key inputs are used to determine the fair values of these investments.
- (2) Represents gains generated from the disposal of certain industrial parks held by the Group. We exclude this reconciling item as it is non-recurring and non-indicative of our core operating performance.
- (3) Includes depreciation of right-of-use assets, depreciation of property and equipment, depreciation of investment properties and amortization of other intangible assets.
- (4) Represents non-IFRS EBITDA divided by revenue for the periods presented.

## Liquidity and Capital Resources

For the six months ended June 30, 2024, we funded our cash requirements principally from cash generated from operating activities.

Our cash resources include cash and cash equivalents, term deposits, wealth management products classified as financial assets at fair value through profit or loss, treasury investments at amortized cost included in “prepayments, other receivables and other assets”, and restricted cash. As of June 30, 2024, the aggregate amount of cash resources of the Group was RMB42.1 billion.

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

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Net cash generated from operating activities	<b>7,382,334</b>	4,298,913
Net cash used in investing activities	<b>(709,497)</b>	(7,281,769)
Net cash used in financing activities	<b>(5,995,724)</b>	(3,722,457)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	<b>677,113</b>	(6,705,313)
Cash and cash equivalents at the beginning of the period	<b>17,207,027</b>	21,495,352
Effects of foreign exchange rate changes on cash and cash equivalents	<b>35,681</b>	666,359
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>17,919,821</u></b>	<b><u>15,456,398</u></b>

For the six months ended June 30, 2024, the Group had free cash inflow of RMB1.4 billion, compared to a free cash outflow of RMB2.1 billion for the same period of 2023. This was a result of net cash generated from operating activities of RMB7.4 billion, less payments for capital expenditures, net of related proceeds from disposals of RMB1.8 billion and payments relating to leases of RMB4.2 billion.

### ***Net cash generated from operating activities***

For the six months ended June 30, 2024, net cash generated from operating activities was RMB7.4 billion. Our cash generated from operations was primarily attributable to our net profit of RMB2.6 billion, as adjusted by (i) non-cash and non-operating items, which primarily consist of depreciation of right-of-use assets of RMB3.9 billion, and depreciation of property and equipment of RMB2.1 billion, and (ii) interest received of RMB0.6 billion, partially offset by (iii) changes in working capital, which primarily resulted from a decrease in trade payables of RMB1.5 billion and an increase in trade receivables of RMB0.4 billion.

For the six months ended June 30, 2023, net cash generated from operating activities was RMB4.3 billion. Our cash generated from operations was primarily attributable to our net loss of RMB0.5 billion, as adjusted by (i) non-cash or non-operating items, which primarily consist of depreciation of right-of-use assets of RMB3.7 billion, depreciation of property and equipment of RMB1.9 billion, and share-based payments of RMB0.5 billion, partially offset by (ii) changes in working capital, which primarily resulted from an increase in trade receivables of RMB0.9 billion and a decrease in trade payables of RMB0.8 billion.

### ***Net cash used in investing activities***

For the six months ended June 30, 2024, net cash used in investing activities was RMB0.7 billion, which was primarily attributable to purchases of term deposits and treasury investments at amortized cost of RMB4.0 billion, payments for financial assets at fair value through profit or loss of RMB3.8 billion, and capital expenditures, net of related proceeds from disposals of RMB1.8 billion, partially offset by maturity of term deposits and treasury investments at amortized cost of RMB7.6 billion and maturity of financial assets at fair value through profit or loss of RMB1.4 billion.

For the six months ended June 30, 2023, net cash used in investing activities was RMB7.3 billion, which was primarily attributable to purchases of term deposits and treasury investments at amortized cost of RMB8.7 billion, capital expenditures, net of related proceeds from disposals of RMB2.1 billion, and payments for financial assets at fair value through profit or loss of RMB1.8 billion, partially offset by maturity of term deposits and treasury investments at amortized cost of RMB4.7 billion.

### ***Net cash used in financing activities***

For the six months ended June 30, 2024, net cash used in financing activities was RMB6.0 billion, which was primarily attributable to principal portion of lease payments of RMB3.7 billion, repayments of borrowings of RMB3.0 billion, and interest paid of RMB0.5 billion, partially offset by proceeds from borrowings of RMB1.3 billion.

For the six months ended June 30, 2023, net cash used in financing activities was RMB3.7 billion, which was primarily attributable to principal portion of lease payments of RMB3.7 billion, repayments of borrowings of RMB3.3 billion, payment for deferred consideration payables arising on acquisition of a subsidiary of RMB0.6 billion, and interest paid of RMB0.5 billion, partially offset by proceeds from borrowings of RMB4.4 billion.



## Gearing Ratio

As of June 30, 2024, our gearing ratio, calculated as total borrowings divided by total equity attributable to owners of the Company, was approximately 15.4%.

## Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies for the six months ended June 30, 2024.

## Significant Investments Held

The Group did not make any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of June 30, 2024) during the six months ended June 30, 2024.

## Future Plans for Material Investments and Capital Assets

As of June 30, 2024, we did not have any plans for material investments and capital assets.

## Employee and Remuneration Policy

The following table sets forth the number of our employees categorized by function as of June 30, 2024.

Function	Number of staff	% of total
Operations	430,221	95.2
Sales and marketing	10,730	2.4
Research and development	4,345	1.0
General and administrative	6,527	1.4
<b>Total</b>	<b>451,823</b>	<b>100.0</b>

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

The Company also has a pre-IPO employee share incentive plan, a post-IPO share option scheme and a post-IPO share award scheme.

The total employee benefit expenses, including share-based payments expenses, were RMB33.5 billion for the six months ended June 30, 2024, as compared to RMB29.5 billion for the same period of 2023, representing a year-over-year increase of 13.6%.

### **Foreign Exchange Risk**

We conduct our businesses mainly in Renminbi (“**RMB**”), with certain transactions denominated in United States dollars (“**USD**”), and, to a lesser extent, other currencies. Foreign exchange risk arises when future commercial transactions or recognized financial assets and liabilities are denominated in a currency that is not the respective functional currency of our entities. In addition, we have intra-group balances with several subsidiaries denominated in foreign currencies which also expose us to foreign currency risk. The Group monitors the exposure to foreign exchange risk and considers hedging certain foreign currency risks with derivative financial instruments should the need arise.

### **Pledge of Assets**

As of June 30, 2024, restricted cash of RMB238.9 million was pledged.

### **Contingent Liabilities**

As of June 30, 2024, we did not have any material contingent liabilities or guarantees.

### **Borrowings**

As of June 30, 2024, our outstanding borrowings amounted to RMB7.8 billion.

### **Significant Events after June 30, 2024**

Save as disclosed in this announcement and as at the date of this announcement, there were no other significant events that might affect the Group since June 30, 2024.

# INTERIM FINANCIAL INFORMATION

## Condensed Consolidated Statement of Profit or Loss

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	<b>86,344,759</b>	77,761,309
Cost of revenue	<b>(77,860,626)</b>	(72,731,387)
	<hr/>	<hr/>
<b>Gross profit</b>	<b>8,484,133</b>	5,029,922
Selling and marketing expenses	<b>(2,779,309)</b>	(2,353,216)
Research and development expenses	<b>(1,743,264)</b>	(1,824,511)
General and administrative expenses	<b>(1,663,325)</b>	(1,675,410)
Other income, gains/(losses), net	<b>282,483</b>	433,325
Gains on disposal of industrial parks	<b>88,796</b>	—
Finance income	<b>719,931</b>	683,976
Finance costs	<b>(514,823)</b>	(541,629)
Impairment losses under expected credit loss model, net of reversal	<b>12,591</b>	(140,144)
Share of results of associates and joint ventures	<b>1,986</b>	5,475
	<hr/>	<hr/>
<b>Profit/(loss) before income tax</b>	<b>2,889,199</b>	(382,212)
Income tax expense	<b>(321,851)</b>	(146,662)
	<hr/>	<hr/>
<b>Profit/(loss) for the period</b>	<b>2,567,348</b>	(528,874)
	<hr/> <hr/>	<hr/> <hr/>
<b>Profit/(loss) for the period attributable to:</b>		
Owners of the Company	<b>2,264,189</b>	(637,211)
Non-controlling interests	<b>303,159</b>	108,337
	<hr/>	<hr/>
	<b>2,567,348</b>	(528,874)
	<hr/> <hr/>	<hr/> <hr/>
	<b>RMB</b>	<b>RMB</b>
<b>Earnings/(loss) per share</b>		
Basic earnings/(loss) per share	<b>0.36</b>	(0.10)
Diluted earnings/(loss) per share	<b>0.36</b>	(0.10)
	<hr/> <hr/>	<hr/> <hr/>

## Condensed Consolidated Statement of Comprehensive Income

	Unaudited	
	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit/(loss) for the period</b>	<u>2,567,348</u>	<u>(528,874)</u>
<b>Other comprehensive (loss)/income</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value changes of equity instruments at fair value through other comprehensive income	(65,623)	(25,854)
Exchange differences on translation from functional currency to presentation currency	101,976	719,858
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	70,733	499,741
Net changes in expected credit loss of receivables at fair value through other comprehensive income	<u>5,847</u>	<u>—</u>
<b>Other comprehensive income for the period</b>	<u>112,933</u>	<u>1,193,745</u>
<b>Total comprehensive income for the period</b>	<u><u>2,680,281</u></u>	<u><u>664,871</u></u>
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the Company	2,395,358	563,791
Non-controlling interests	<u>284,923</u>	<u>101,080</u>
	<u><u>2,680,281</u></u>	<u><u>664,871</u></u>

## Condensed Consolidated Statement of Financial Position

	Unaudited As of June 30, 2024 RMB'000	Audited As of December 31, 2023 RMB'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	15,733,840	16,060,401
Right-of-use assets	16,677,563	17,359,780
Investment properties	362,130	42,385
Goodwill	6,849,216	6,849,216
Other intangible assets	3,498,191	3,803,082
Interests in associates	149,433	153,556
Interests in joint ventures	23,976	21,656
Financial assets at fair value through profit or loss	1,261,558	1,394,613
Equity instruments at fair value through other comprehensive income	168,222	299,887
Deferred tax assets	91,117	87,166
Prepayments, other receivables and other assets	8,161,526	10,171,553
	<hr/>	<hr/>
Total non-current assets	52,976,772	56,243,295
<b>Current assets</b>		
Inventories	661,974	624,288
Trade receivables	15,111,185	14,709,125
Contract assets	317,417	343,436
Prepayments, other receivables and other assets	6,506,860	7,445,136
Financial assets at fair value through profit or loss	10,743,596	8,150,970
Term deposits	6,974,800	7,714,757
Restricted cash	238,854	193,960
Cash and cash equivalents	17,919,821	17,207,027
Assets classified as held for sale	—	269,723
	<hr/>	<hr/>
Total current assets	58,474,507	56,658,422
	<hr/>	<hr/>
<b>Total assets</b>	<b>111,451,279</b>	<b>112,901,717</b>

	<b>Unaudited</b> As of <b>June 30,</b> <b>2024</b> <i>RMB'000</i>	Audited As of December 31, 2023 <i>RMB'000</i>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,044	1,041
Treasury shares	(65)	(66)
Reserves	74,557,717	74,198,356
Accumulated losses	(23,782,795)	(26,041,416)
	<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>	<b>50,775,901</b>	48,157,915
<b>Non-controlling interests</b>	<b>7,493,421</b>	7,215,720
	<hr/>	<hr/>
<b>Total equity</b>	<b>58,269,322</b>	55,373,635
	<hr/>	<hr/>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	5,250,000	5,345,000
Lease liabilities	10,045,338	10,180,823
Deferred tax liabilities	1,385,300	1,454,218
Other non-current liabilities	1,265,061	1,216,641
	<hr/>	<hr/>
Total non-current liabilities	17,945,699	18,196,682
	<hr/>	<hr/>
<b>Current liabilities</b>		
Trade payables	7,252,906	8,729,612
Contract liabilities	299,956	298,305
Accrued expenses and other payables	17,274,342	17,760,888
Advances from customers	593,716	379,734
Borrowings	2,579,845	4,620,326
Lease liabilities	6,856,591	7,106,378
Payables to interest holders of consolidated investment funds	50,763	50,305
Tax liabilities	328,139	367,832
Liabilities associated with assets classified as held for sale	—	18,020
	<hr/>	<hr/>
Total current liabilities	35,236,258	39,331,400
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>53,181,957</b>	57,528,082
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>111,451,279</b>	112,901,717
	<hr/> <hr/>	<hr/> <hr/>

## Condensed Consolidated Statement of Cash Flows

	Unaudited	
	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from operating activities	<b>7,382,334</b>	4,298,913
Net cash used in investing activities	<b>(709,497)</b>	(7,281,769)
Net cash used in financing activities	<b>(5,995,724)</b>	(3,722,457)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	<b>677,113</b>	(6,705,313)
Cash and cash equivalents at the beginning of the period	<b>17,207,027</b>	21,495,352
Effects of foreign exchange rate changes on cash and cash equivalents	<b>35,681</b>	666,359
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>17,919,821</u></b>	<b><u>15,456,398</u></b>

## Notes to the Interim Financial Information

### *General information, basis of preparation and presentation*

The Company is an investment holding company. The Group engages in the business of providing integrated supply chain solutions and logistics services to customers across a wide array of industries through its leading logistics network. The Group's principal operations and geographic markets are in the PRC.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The condensed consolidated financial statements are presented in RMB, which is different from the Company's functional currency of USD.

The condensed consolidated financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), as set out in the 2023 annual report of the Company released on April 26, 2024 (the “**2023 Annual Report**”).

### *Application of amendments to IFRSs*

During the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after January 1, 2024 for the preparation of the condensed consolidated financial statements:

<b>Amendments</b>	<b>Content</b>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.



## ***Summary of material accounting policy information***

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

Other than additional accounting policies resulting from application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the 2023 Annual Report.

### ***Revenue***

Given the central role of inventory management in the Group's integrated supply chain solutions and logistics services, customers of the Group are categorized based on whether such customers have utilized the Group's warehouse or inventory management related services. Customers are reviewed by the Group on a regular basis, and customers who have utilized the Group's warehouse or inventory management related services in the recent past are classified as the Group's integrated supply chain customers.

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Type of customer:</b>		
Integrated supply chain customers	<b>41,800,092</b>	38,852,514
Other customers	<b>44,544,667</b>	38,908,795
	<hr/>	<hr/>
Total	<b>86,344,759</b>	77,761,309
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of revenue recognition:</b>		
Overtime	<b>82,688,932</b>	74,675,740
A point in time	<b>3,655,827</b>	3,085,569
	<hr/>	<hr/>
Total	<b>86,344,759</b>	77,761,309
	<hr/> <hr/>	<hr/> <hr/>

*Income tax expense*

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Current tax	<b>364,008</b>	203,252
Deferred tax	<b>(42,157)</b>	(56,590)
	<hr/>	<hr/>
Total	<b>321,851</b>	146,662
	<hr/> <hr/>	<hr/> <hr/>

*Profit/(loss) before income tax*

Profit/(loss) before income tax has been arrived at after charging:

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Employee benefit expenses	<b>33,509,170</b>	29,490,847
Outsourcing cost	<b>28,536,414</b>	27,953,693
Depreciation of right-of-use assets	<b>3,866,396</b>	3,731,842
Depreciation of property and equipment	<b>2,144,389</b>	1,907,175
Amortization of other intangible assets	<b>311,787</b>	324,831

## *Earnings/(loss) per share*

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	<b>Unaudited</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Numerator:</b>		
Profit/(loss) for the period attributable to owners of the Company for the purpose of calculating basic earnings/(loss) per share (RMB'000)	<b>2,264,189</b>	(637,211)
Impact of subsidiaries' diluted earnings (RMB'000)	<b>(1,253)</b>	—
	<hr/>	<hr/>
Profit/(loss) for the period attributable to owners of the Company for the purpose of calculating diluted earnings/(loss) per share (RMB'000)	<b>2,262,936</b>	(637,211)
	<hr/> <hr/>	<hr/> <hr/>
<b>Denominator:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<b>6,205,742,265</b>	6,167,802,393
Adjustments for dilutive options and restricted shares units	<b>96,847,051</b>	—
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings/(loss) per share	<b>6,302,589,316</b>	6,167,802,393
	<hr/> <hr/>	<hr/> <hr/>
Basic earnings/(loss) per share attributable to owners of the Company (RMB per share)	<b>0.36</b>	(0.10)
Diluted earnings/(loss) per share attributable to owners of the Company (RMB per share)	<b>0.36</b>	(0.10)
	<hr/> <hr/>	<hr/> <hr/>

For the six months ended June 30, 2023, the potential dilutive ordinary shares and the impact of subsidiaries' diluted earnings were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2023 was the same as basic loss per share.

## *Dividends*

No dividend was paid or proposed for ordinary shareholders of the Company for the current interim period, nor has any dividend been proposed since the end of the reporting period (six months ended June 30, 2023: none).

## *Trade receivables*

	<b>Unaudited</b> <b>As of</b> <b>June 30,</b> <b>2024</b> <i>RMB'000</i>	<b>Audited</b> <b>As of</b> <b>December 31,</b> <b>2023</b> <i>RMB'000</i>
<b>Trade receivables at amortized cost:</b>		
Trade receivables from third parties	<b>9,176,384</b>	9,847,353
Trade receivables from related parties	<b>4,359,523</b>	3,601,389
Less: allowance for credit losses	<b>(435,963)</b>	(542,274)
	<b>13,099,944</b>	12,906,468
Trade receivables at fair value through other comprehensive income	<b>2,011,241</b>	1,802,657
	<b>15,111,185</b>	14,709,125

The Group allows a credit period of 30 to 180 days to its trade customers. The following is an aging analysis of trade receivables presented based on the billing date.

	<b>Unaudited</b> <b>As of</b> <b>June 30,</b> <b>2024</b> <i>RMB'000</i>	<b>Audited</b> <b>As of</b> <b>December 31,</b> <b>2023</b> <i>RMB'000</i>
Within 3 months	<b>14,834,761</b>	14,710,920
3 to 6 months	<b>408,213</b>	166,909
6 to 12 months	<b>149,187</b>	162,699
Over 12 months	<b>154,987</b>	210,871
	<b>15,547,148</b>	15,251,399
Less: allowance for credit losses	<b>(435,963)</b>	(542,274)
	<b>15,111,185</b>	14,709,125

The Group held bills received for future settlement of trade receivables with insignificant amount. The Group continues to recognize their full carrying amounts at the end of each reporting period. All bills received by the Group were with a maturity period of less than one year.

***Trade payables***

	<b>Unaudited</b> <b>As of</b> <b>June 30,</b> <b>2024</b> <b>RMB'000</b>	Audited As of December 31, 2023 <i>RMB'000</i>
Trade payables	<b>7,214,348</b>	8,696,174
Trade payables under supplier financing arrangements <sup>(1)</sup>	<b>38,558</b>	33,438
	<b>7,252,906</b>	8,729,612

(1) Certain reputable financial institutions offer supply chain financing services to the Group's suppliers. Suppliers can sell one or more of the Group's payment obligations at their sole discretion to the financial institutions to receive funds ahead of time from the financial institutions to meet their cash flow needs. The Group's rights and obligations to suppliers are not impacted. The original payment terms, timing and amount of trade payables remain unchanged. In the condensed consolidated statement of cash flows, settlements of these payables are included within operating cash flows based on the nature of the arrangements.

The following is an aging analysis of trade payables presented based on the recognition date:

	<b>Unaudited</b> <b>As of</b> <b>June 30,</b> <b>2024</b> <b>RMB'000</b>	Audited As of December 31, 2023 <i>RMB'000</i>
Within 3 months	<b>6,671,740</b>	7,785,554
3 to 6 months	<b>211,776</b>	510,869
6 to 12 months	<b>156,995</b>	152,827
Over 12 months	<b>212,395</b>	280,362
	<b>7,252,906</b>	8,729,612

The credit period of trade payables mainly ranges from 30 to 120 days.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company was incorporated in the Cayman Islands on January 19, 2012 with limited liability, and the shares of the Company (the “**Shares**”) were listed on the Main Board of the Hong Kong Stock Exchange on May 28, 2021 (the “**Listing Date**”).

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company’s corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders of the Company. During the six months ended June 30, 2024, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”).

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

## AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code 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 Ms. Nora Gu Yi Wu (顧宜), Ms. Jennifer Ngar-Wing Yu (余雅穎) and Dr. Xiande Zhao (趙先德), with Ms. Nora Gu Yi Wu (顧宜) (being our independent non-executive Director with the appropriate professional qualifications) as chairperson of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three and six months ended June 30, 2024 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and Deloitte Touche Tohmatsu, the auditor of the Company (the “**Auditor**”).

The condensed consolidated financial statements of the Group for the six months ended June 30, 2024 have been reviewed by the Auditor 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.

## OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee and a remuneration committee.

## **INTERIM DIVIDEND**

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended June 30, 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Hong Kong Stock Exchange (including any sale of treasury shares (as defined under the Listing Rules)).

## **USE OF PROCEEDS AND UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS**

### **Net Proceeds from the Global Offering**

With the Shares listed on the Hong Kong Stock Exchange on the Listing Date (the “**Global Offering**”), the net proceeds from the Global Offering were approximately RMB22,945 million. There has been no change in the intended use of proceeds as previously disclosed in the prospectus of the Company dated May 17, 2021 (the “**Prospectus**”). As of May 16, 2024, the unutilized amount of the net proceeds was approximately RMB5,303 million and given that the initial expected timeline as set out in the Prospectus shall expire at the end of May 2024, the Company extended the initial expected timeline to 12 to 36 months from May 16, 2024. Details of the update on timeline is set out in the announcement of the Company dated May 16, 2024.

The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of June 30, 2024:

Purpose	Net proceeds (RMB million)	Unutilized amount as of January 1, 2024 (RMB million)	Utilized amount from	Utilized amount from	Unutilized amount as of June 30, 2024 (RMB million)	Updated expected timeline of full utilization
			January 1, 2024 to May 16, 2024 (RMB million)	May 16, 2024 to June 30, 2024 (RMB million)		
Upgrading and expansion of our logistics networks	12,620	2,450	105	42	2,303	12 to 36 months from May 16, 2024
Developing advanced technologies to be used in our supply chain solutions and logistics services	4,589	2,258	99	25	2,134	12 to 36 months from May 16, 2024
Expanding the breadth and depth of our solutions, as well as for penetrating existing customers and attracting potential customers	3,442	594	178	47	369	12 to 36 months from May 16, 2024
General corporate purposes and working capital needs	2,294	431	48	19	364	12 to 36 months from May 16, 2024
<b>Total</b>	<b>22,945</b>	<b>5,733</b>	<b>430</b>	<b>133</b>	<b>5,170</b>	

*Note:* The updated expected timeline for utilization of the unutilized net proceeds above is based on the Group’s best estimation and is subject to change based on the future development of market conditions.

## Net Proceeds from the Placing and the Subscription

On March 25, 2022, the Company entered into a placing agreement with the placing agents in relation to the placing of 150,500,000 Shares to independent purchasers (the “**Placing**”). On the same day, the Company and Jingdong Technology Group Corporation (the “**Subscriber**”) entered into a subscription agreement, pursuant to which the Subscriber subscribed 261,400,000 Shares in aggregate (the “**Subscription**”). Completion of the Placing and Subscription took place on April 1, 2022 and May 26, 2022, respectively.

The net proceeds from the Placing and the Subscription were approximately RMB6,924 million. There has been no change in the intended use of net proceeds as previously disclosed in the announcements of the Company dated March 25, 2022, April 1, 2022 and May 26, 2022, and the circular of the Company dated April 25, 2022 (the “**Announcements and Circular**”).



As of May 16, 2024, the unutilized amount of net proceeds was approximately RMB712 million, and given the initial expected timeline as set out in the Announcements and Circular shall expire in the end of May 2024, the Company extended the initial expected timeline to 12 to 24 months from May 16, 2024. Details of the update on timeline is set out in the announcement of the Company dated May 16, 2024.

The following table sets forth a summary of the utilization of the net proceeds from the Placing and the Subscription as of June 30, 2024:

Purpose	Net proceeds (RMB million)	Unutilized amount as of January 1, 2024 (RMB million)	Utilized	Utilized	Unutilized amount as of June 30, 2024 (RMB million)	Updated expected timeline of full utilization
			amount from January 1, 2024 to May 16, 2024 (RMB million)	amount from May 16, 2024 to June 30, 2024 (RMB million)		
Improving our logistics network and solutions, both organically and/or by acquisitions	5,885	—	—	—	—	N/A
General corporate purposes and working capital needs	1,039	712	—	20	692	12 to 24 months from May 16, 2024
<b>Total</b>	<b>6,924</b>	<b>712</b>	<b>—</b>	<b>20</b>	<b>692</b>	

*Note:* The updated expected timeline for utilization of the unutilized net proceeds above is based on the Group's best estimation and is subject to change based on the future development of market conditions.

## PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [ir.jdl.com](http://ir.jdl.com). The interim report of the Company for the six months ended June 30, 2024 will be published on the aforesaid websites of the Hong Kong Stock Exchange and the Company in due course.

By order of the Board  
**JD Logistics, Inc.**  
**Mr. Wei Hu**  
*Executive Director*

Hong Kong, August 15, 2024

*As of the date of this announcement, the Board comprises Mr. Wei Hu as executive Director, Mr. Richard Qiangdong Liu as non-executive Director, and Ms. Nora Gu Yi Wu, Ms. Jennifer Ngar-Wing Yu, Dr. Xiande Zhao, Mr. Yang Zhang and Dr. Lin Ye as independent non-executive Directors.*