



February 20, 2025

Dear Dada Board and Management,

Happy Chinese New Year!

I am writing to you for two reasons. Firstly, to thank you for the hard work over the past year in restructuring the JD Now business and implementing many of the suggestions from our [July 3, 2024 letter](#). We were particularly pleased that the Board decided to amend the 2020 Share Incentive Plan to double the SBC pool and fully fund this via share repurchases. Given Dada's exceptionally low share price, this is an efficient use of capital which meaningfully aligns management interests with shareholders. We hope to celebrate the future where the Board and Management reaps the rewards of these changes, both reputationally and monetarily.

Secondly, we hold the view that the January 25, 2025 buy-out offer by JD for Dada at \$2/ADS is massively undervaluing the company. With absolute respect to JD (they're also our largest portfolio holding), both the timing and price is highly opportunistic, and we expect both operations and market perceptions on Dada to significantly improve starting this year.

Our [investment report](#) is included alongside this letter. We believe Dada's intrinsic value is multiples above the \$2/ADS offer price. Also, it seems clear that Dada's businesses have matured significantly and represent superior fundamentals when compared to its IPO in June 2020 at \$16/ADR or February 2022 when JD paid ~\$20/ADR (not including another ~US\$9/ADR of non-cash 'strategic resources') for an additional 6% of Dada. They paid \$546m cash for that 6%, which is more than the ~\$530m for 100% of Dada implied by this takeover offer.

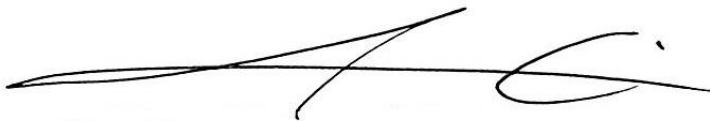
Regardless, it doesn't seem to make any sense for minority shareholders to agree to this buy-out when the company is making fast progress towards profitability – the Dada Now delivery business is already profitable. Backed by ~RMB3bn of net cash, there is low risk in waiting as operations continues to scale. JD Now profits will grow exponentially once it achieves

sufficient operating leverage. The only reasons why minority shareholders may agree to this buy-out is: 1) unrestrained cash-burn expanding into the food delivery business, and 2) worries about the JD and Dada relationship if the takeover fails. We suggest the company clearly discloses the planning, budget and any arrangements (with JD) regarding the food delivery expansion in the FY24 annual results or in the takeover review. As for 2), given JD's exemplary reputation and its many listed subsidiaries, this concern seems unwarranted.

We hope the Special Committee carefully considers our views when deciding their final recommendation. This letter and other materials will be publicly available on our [website](#). This takeover is a pivotal test not only for Dada, but for all JD's listed subsidiaries. How it is resolved will undoubtedly impact the reputation and future capital market relationships for all JD companies.

Dada is the vanguard to JD's growing local on-demand ambitions and we remain firm believers in its long-term fundamentals. Our strong preference at this time is for Dada to remain independently listed so that we can all share in its future success.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'John Qiu', written over a horizontal line.

John Qiu

Founder/CIO