Proceedings of CONF-BPS 2026 Symposium: Sustainability Transitions and Regional Economic Restructuring in New Contexts
DOI: 10.54254/2754-1169/2026.NJ30819

The Market Valuation Differences Between JD. com's Hong Kong and US Exchanges

Ying Liu

School of Accounting, Shanghai University of Finance and Economics Zhejiang College, Jinhua, China

liuying98@shufe-zj.edu.cn

Abstract. This paper examines valuation differences across markets for dual-listed companies, selecting JD. com as the research subject. This paper examines the valuation of JD. com's Hong Kong and U. S. exchanges through four aspects: stock price comparison, valuation data analysis, comparable company valuation assessment, and market comparison between Hong Kong and U. S. exchanges. The research concludes that JD. com's Hong Kong stock price has historically been lower than that of U. S. , with this divergence stemming from differing investor structures, market trading mechanisms, and regulatory policies across the two markets. Conversely, JD. com's Hong Kong valuation has historically exceeded its U. S. valuation, driven by short-term profitability and current strategic initiatives. The differences in JD. com's valuation stem from differences in its business model and profitability. The comprehensive analysis of these variations demonstrates that valuation discrepancies for the same company across different markets arise from multiple internal and external factors. Internal factors include the company's own business strategy, profitability levels, and revenue growth rates. External factors encompass investor profiles in the Hong Kong and U. S. stock markets, as well as market systems and regulatory environments.

Keywords: Valuation differences, Hong Kong exchange, US exchange, JD. Com.

1. Introduction

Valuation is a form of art for measuring a company from all aspects. In 2023, The China Securities Regulatory Commission System Work Conference has proposed “to enhance the scientificity and effectiveness for the aspects of valuation and price, ” “push all relevant parties to strengthen research and application of findings, gradually refining valuation and pricing methodologies tailored to different kinds of enterprises and establishing a valuation system with Chinese characteristics” [1]. This proves the importance of valuation to businesses and the market, many Chinese companies listed in the U. S. market was facing the risk of delisting, these factors have laid the groundwork for the return of numerous Chinese American Depositary Receipts (ADRs). Under the backgroud of China-U. S. trade competition, issues such as short-selling arbitrage targeting Chinese companies listed in the U. S. have become increasingly prominent. This has placed Chinese ADRs in a precarious position in U. S. market, even facing the risk of delisting. Besides, new reform initiatives

DOI: 10.54254/2754-1169/2026.NJ30819

are underway in the domestic market, presenting an opportunity for the return of Chinese ADRs [2]. It allows for a more objective assessment of enterprise value and a comparative analysis of the inherent differences, because of the differences, such as region, supportive policies, investor structures and levels of understanding of the companies between Hong Kong and U. S. stocks markets. This paper selects JD. com as a research subject, JD. com is an e-commerce company with leading technology that is transforming into a technology and service enterprise grounded in supply chain capabilities. This paper selects JD. com as a research subject, JD. com is an e-commerce company with leading technology that is transforming into a technology and service enterprise grounded in supply chain capabilities. And as a representative example of the return of Chinese ADRs, it is listed on both the Hong Kong and U. S. stock exchanges and operates under a dual-class share structure. This paper examines the valuation differences for JD. com between Hong Kong and U. S. stock markets aims to investigate the causes of valuation differences across markets and step one step to analyze the market differences. This study enables readers to intuitively grasp valuation discrepancies for the same company across different markets, as well as market focus areas. It also offers valuable insights for investors and companies facing similar circumstances.

This paper will conduct research and analysis from the following four aspects: first, this paper selects JD. com's September stock prices for comparison to analyze the sources of price discrepancies between Hong Kong and U. S. stock markets. Second, a comparison of valuation metrics for JD. com between its Hong Kong and U. S. stock markets. Third, comparable company valuation analysis. Fourth, comparison between Hong Kong and U. S. stock markets. Finally, to summarize the above analysis and give shortcomings and outline future prospects.

2. Valuation differences analysis

2.1. Stock price comparison between Hong Kong and U. S. stocks

By comparing JD. com's stock prices on the Hong Kong and U. S. stock exchanges in September, can observe the primary trends and differences between the U. S. and Hong Kong share prices. Due to exchange rate fluctuations and ADR factors, calculating the discount/premium ratio enables a comparative analysis of stock price differences between the two markets, providing a clear visual representation of the disparity in price differentials between U. S. and Hong Kong stocks.

$$\text{Discount/Premium Rate}=\left(\frac{\text{Hong Kong stock prices(Hong Kong dollar)}}{\text{U.S. stock prices(US dollar)}\times\text{Exchange rate}\div\text{Share-to-Coefficient Ratio}}\text{-1}\right)\times 100\% \tag{1}$$

In the above formula, the exchange rate is calculated based on the official daily published value. Each ADS share of JD. com corresponds to two ordinary shares of Hong Kong stock, with a share conversion ratio of 2. Observing the dates of exchange rate, it is a normal range from 7. 770 to 7. 805. Basing on the dates and formula calculation, the paper obtains the trend chart in Figure 1. Analyzing Figure 1, the discount/premium rate of Hong Kong and U. S. stock prices ranges from -7% to 3%, and an average discount/premium rate of -1. 19%. This indicates that Hong Kong stock prices have historically traded below U. S. stock prices, with greater volatility in Hong Kong stock prices compared to the relative stability of U. S. stock prices. Follow the Figure 1, from the 9th to the 15th and around the 22nd, Hong Kong stock prices is higer than U. S. stock prices. This price differences come from liquidity differences between the two markets and exchange rate factors. But in a macro perspective, indicates of the difference within a narrow range that the Hong Kong and U. S. stock markets share a consistent understanding of JD. com's fundamental business operations,

DOI: 10.54254/2754-1169/2026.NJ30819

reflecting the relative stability of its business model and profitability. In the first half of 2025, southbound capital inflows into Hong Kong stocks exceeded HK$750 billion, boosting mainland investors' sentiment toward Hong Kong equities [3]. This pushed the valuation recovery of relevant companies and facilitated the overall valuation reversion of the Hong Kong stock market. It shows that Hong Kong stocks prices occasionally outperformed U. S. stocks in September.

To summarize the above the comparison, due to significant differences in both markets, such as exchange rate, liquidity, supportive policies, etc, these cause the variance of prices and Hong Kong stock prices consistently trading below their U. S. counterparts over the long term. The Hong Kong stock market is more susceptible to external factors, while the U. S. stock market remains relatively stable.

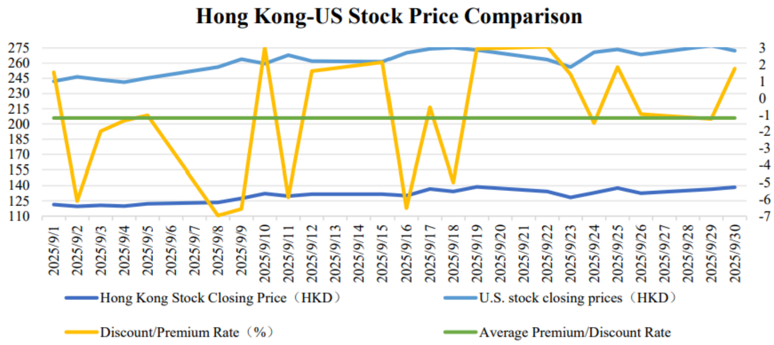

Figure 1. Stock price comparison between Hong Kong and U. S. markets in September (picture credit: original)

2.2. Valuation datas for JD. com between Hong Kong and U. S. stocks (data from JD. com's quarterly reports for 2024-2025)

Analyzing the static valuation datas of each quarterly report for JD. com from2024 to 2025 allows for an in-depth examination of how JD. com's short-term performance impacts valuation discrepancies between Hong Kong and U. S. stock markets, and further reveals differences between these two markets. This paper analyzes the five datas: Price Earnings Ratio (PE), Price-to-Book Ratio (PB), Price-to-Sales Ratio (PS), Price-to-Cash Flow Ratio (PCF), and Enterprise Value(EV) to Earnings Before Interest, Taxes, Depreciation, and Amortization(EBITDA) (EV/EBITDA). Collating these datas, the comparative trend charts for Hong Kong and U. S. stock valuation metrics shown in Figures 2, Figure 3, and Figure 4.

Price Earnings Ratio (PE) can analyze the valuation multiples that JD. com's earnings per period in the Hong Kong and U. S. stock markets. In figure 2, in a general, the valuation trends of Hong Kong and U. S. stocks are mostly similar and U. S. stocks consistently higher valuations than Hong Kong stocks. This shows that the Hong Kong and U. S. stock markets havee a consistent understanding of JD. com's fundamental business performance(retail, healthcare, logistics). However, occasionally, Hong Kong stocks are valued higher than U. S. counterparts. It is quite obvious that the third and fourth quarters of 2024, the difference rate is 4. 5%,5. 2% at repectively. Because the third and fourth quarter financial reports include the peak sales periods of 618, Double 11, and Double 12, profits increase, leading to higher valuations. This also shows that the Hong Kong stock market greater emphasis on JD. com's short-term business performance compared to the U. S. stock market.

DOI: 10.54254/2754-1169/2026.NJ30819

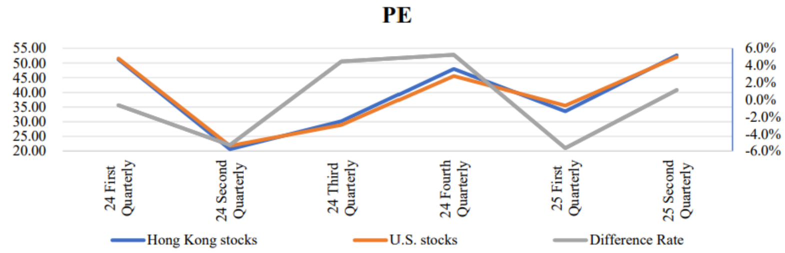

Figure 2. Trend comparison of PE ratios for Hong Kong and U. S. stock (picture credit: original)

Price-to-Book Ratio (PB) can analyze the valuation multiples that JD. com's net assets in the Hong Kong and U. S. stock markets. Price-to-sales (PS) can analyze the valuation multiples that JD. com's quarterly revenue in the Hong Kong and U. S. stock markets. In figure 3, the valuation trends of PB and PS for JD. com's assets status in both Hong Kong and U. S. markets are consistent. It shows that both markets share a similar view of the company's asset-based operations, such as its self-built logistics and warehouses. But during the third and fourth quarters of 2024, it means that the peak sales periods for JD. com, Hong Kong stocks are valued higher than U. S. stocks, with asset turnover rates increasing and operating revenues rising at this time. This shows that the Hong Kong stock market greater emphasis on JD. com's short-term performance, meanwhile the U. S. stock market focuses more on its long-term performance.

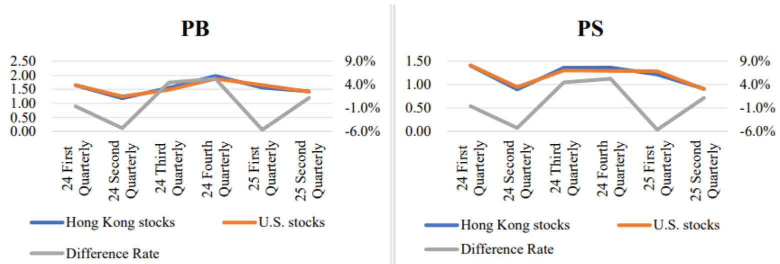

Figure 3. Trend comparison of PB and PS ratios for Hong Kong and U. S. stocks (picture credit: original)

Price-to-Cash Flow Ratio (PCF) can analyze the valuation multiples that JD. com's cash flow in the Hong Kong and U. S. stock markets. In figure 4, due to JD. com's inventory preparation for peak sales seasons like 618 and Double 11 in the first and third quarters, cash flow is negative and the negative values are not meaningful, so the figure 4 shows only quarters of the positive numbers. The valuation trends of Hong Kong and U. S. stocks are broadly consistent, but the PCF valuation of Hong Kong stocks in the fourth-quarter 2024 earnings reports was higher than that of U. S. stocks. It shows that Hong Kong stock market is paying more attention to the cash flow returning to JD. com , when the end of peak sales season than the U. S. stock market.

EV/EBITDA can analyze the valuation multiples that JD. com's overall value relative to its core earnings in the Hong Kong and U. S. stock markets. In figure 4, The valuation trends of Hong Kong and U. S. stocks are broadly consistent as the same as above analysis, and Hong Kong stocks have historically traded at lower valuations than it U. S. counterparts. This shows that both markets share a similar assessment of JD. com's profitability. However, the Hong Kong stock market has greater fluctuation than the U. S. stock market, and Hong Kong stocks traded at higher valuations than it U. S. counterparts, during the third and fourth quarters of 2024. The reason is that this is a significant impact to investments in new business initiatives and profitability. In particularly, in the second quarter of 2025, the official launch of the food delivery business led to a substantial decline in

DOI: 10.54254/2754-1169/2026.NJ30819

profits, and offset profits from retail operations. Research Report by Puyin International has pointed, food delivery subsidies pull down the profit be generated by JD. com's retail business [4]. The Goldman Sachs Research Report has pointed that JD. com's valuation is undervalued, reflecting optimism about its food delivery business and recognition of its retail business growth [5]. It shows that the valuation of the Hong Kong stock market is influenced by short-term performance, and the U. S. stock market places greater emphasis on JD. com's long-term performance.

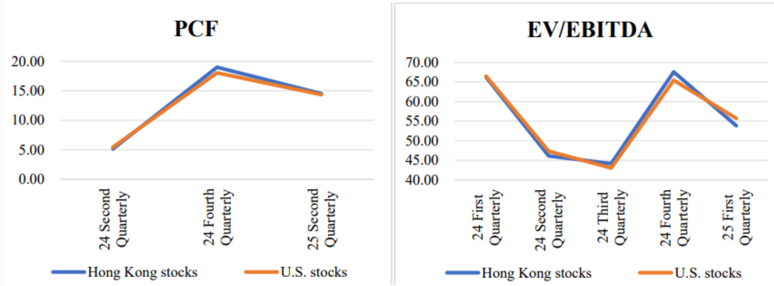

Figure 4. Trend comparison of PCF and EV/EBITDA ratios for Hong Kong and U. S. stocks (picture credit: original)

In summary, the valuation trends of Hong Kong and U. S. stocks are similar, but the Hong Kong market has historically traded at lower valuations than its U. S. counterpart. Also, during peak sales seasons, JD. com's increased operating profit and asset turnover rate have led to its Hong Kong stock market commanding a higher valuation than its U. S. stock market. It can be concluded that the Hong Kong stock market places greater emphasis on short-term performance compared to the U. S. market, reflecting a more cautious approach to valuations in Hong Kong, while the U. S. market demonstrates a higher tolerance for valuations.

2.3. Valuation datas comparison of JD. Com, Alibaba, Pinduoduo (data from Wind's TTM as of October 16th)

Analyze the organizational structures of three companies. JD. com operates its own e-commerce platform and has built its own logistics network. It is a heavy-asset enterprises with self-operated and needs to substantial capital investment for self-construction, while stable profitability and have a gross profit margin of approximately 15%. But the cost is high. Pinduoduo is a light-asset model and social e-commerce, that is attracts foot traffic by low-price and has a gross profit margin of roughly 40%. Alibaba is a light-asset model and comprehensive platform e-commerce company. It has a broad and diverse range of services with gross profit margin as high as 70%. In figure 5, JD. com's valuation is consistent across both the U. S. and Hong Kong stock markets, indicating that investors in both markets share a unified valuation perspective on the company. However, JD. com's valuation is lowest and below the industry median. Alibaba's PE is close to median and significantly higher than JD. com and Pinduoduo. It shows that the markets is willing to assign a high valuation and optimistic about Alibaba's profitability. Pinduoduo's PB and PS is relatively high, that shows the markets is optimistic about Pinduoduo's asset value and revenue generation capabilities. Goldman Sachs' research report has said, when JD. com maintains a stable food delivery scale exceeding 20 million orders, then JD. com would gain disproportionate benefits [6]. It can be seen that JD. com's valuation is underestimated.

DOI: 10.54254/2754-1169/2026.NJ30819

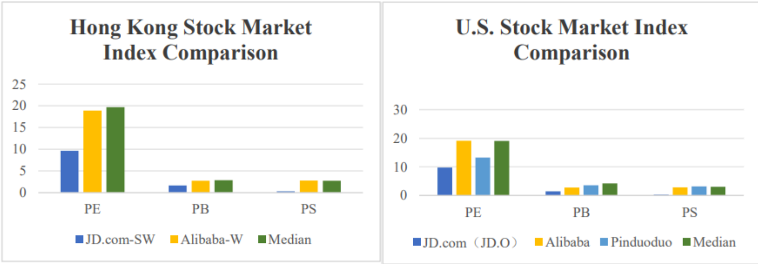

Figure 5. Valuation datas comparable companies for Hong Kong and U. S. stock market (picture credit: original)

To summarize the above, for the valuation of e-commerce companies in Hong Kong and U. S. stock markets, companies with high gross profit margins and light asset structures command higher valuations. For JD. com, although its self-built, self-operated model ensures stable profitability, the investment costs are also high. It caused that valuation prudence of both markets for JD. com.

2.4. Comparison between Hong Kong and U. S. stock markets

Research on stock market interconnectivity has revealed, the Dow Jones market has a larger weighting than the Hang Seng market, in the relationship between index prices and equilibrium prices in the U. S. stock market, it means that they hold a dominant position compared to the Hong Kong stock market [7]. Indicates that the current valuation levels of Hong Kong stocks remain low. Gaining a more intuitive understanding of the sources of these disparities by comparing the structural differences between the Hong Kong and U. S. stock markets.

In terms of investor structure, the Hong Kong stock market comprises foreign capital, Hong Kong capital, and mainland capital, among others, but foreign capital accounts for a significant proportion. And it is pay more attention to performance stability and dividend from enterprises, while the valuation is relatively conservative. The U. S. stock market is dominated by institutional investors such as ETFs, pension funds, and mutual funds. It is pay more attention to long-term investment and more inclined toward companies with high growth potential, while willing to pay a higher valuation premium. From an industry distribution perspective, the Hong Kong stock market is dominated by traditional sectors such as finance and real estate, but profit growth has been volatile so that pull down overall valuation. The U. S. stock market is dominated by technology and innovation industries and owns high and stable profit growth. It raises the overall valuation. From a liquidity perspective, Hong Kong stock market has relatively weak liquidity and its trading activity is relatively low. So it is easy to be influenced by external factors. The U. S. stock market, on the contrary, so U. S. stocks have more stable valuations and its valuation levels is higher. In terms of trading systems and timing, investors in the Hong Kong stock market can sell stocks purchased on the same day, but the actual settlement of funds and shares follows a T+2 system. Trading days are divided into four phases: pre-market, morning session, afternoon session, and closing session. Following the completion of a transaction in the Hong Kong stock market, the settlement and delivery of funds and shares are finalized on the third business day and no restrictions on daily price fluctuations. Price fluctuations are not subject to fixed limits [8]. In the U. S. stock market, it can enable investors to more accurately assess enterprise value by the disclosure system and stringent regulatory requirements.

To summarize the above, it can be observed that the investor structure, industry distribution, liquidity, trading systems, and timing in the Hong Kong and U. S. stock markets have differences.

DOI: 10.54254/2754-1169/2026.NJ30819

These differences all impact valuation. Depends on the differences involved, it shows that Hong Kong stocks are trading at lower valuations than their U. S. counterparts, and Hong Kong stocks are being valued more cautiously, U. S. stocks have a higher tolerance for valuations.

3. Conclusion

This paper explores differences across four dimensions, including comparison of JD. com's Stock Prices in Hong Kong and U. S. Markets, comparison of main Valuation metrics, valuation metrics of comparable companies and comparison of differences between Hong Kong and U. S. Stock markets. Finally, it was concluded that Hong Kong stocks trade at lower valuations than their U. S. counterparts, reflecting greater caution in Hong Kong valuations and higher tolerance for valuations in the U. S. market in the comparison of Hong Kong and U. S. stock prices and across different markets, due to significant differences in the market with investor structure, industry distribution, liquidity, trading systems, and timing. In light of JD. com's peak season performance, the launch of new business initiatives, and the company's own structure and business model lead to sources of difference in different markets. This indicates that Hong Kong stock valuations better reflect a company's short-term value, while U. S. stock valuations are based on long-term value.

The research methodology employed in this paper also has its shortcomings. First, the time period for data selection is relatively short, including the comparison of Hong Kong and U. S. stock prices in September and JD. com Quarterly Report Data for 2024–2025. The conclusions may drawn in this manner are arbitrary and lack credibility. Second, the valuation metrics analyzed in this paper are static. Basing on the provided financial statement data to perform computational analysis and no predicted valuation figures. It caused that this article's exploration lacks depth. It is hoped that through the exploration in this paper to relevant investors and enterprises in similar circumstances, having a more direct illustration of valuation differences for the same company across different markets and take a more objective view of valuation differences.

References

[1] Li, H. Y. (2023). Core Elements and Investment Approach of The China-specific Valuation System in The ESG Context. Northern Finance, (9), 3-6.

[2] Liu, X. L., and Wu, H. J. (2022). A study on Factors Contributing to The Delisting of Chinese Companies Listed in The U.S. Amid Strategic Rivalry Between China and The United States. International Business and Accounting, (22), 13-20.

[3] Xing, M. (2025, July 3). Southbound Capital's Preference for Hong Kong Stocks Signals Multiple Positive Developments. Securities Daily, p. A04.

[4] Puyin International. (2025). JD.com (9618.HK/JD.US): Government Subsidies Drive Robust Revenue Growth, while Food Delivery Subsidies Weigh on Profits.

[5] Goldman Sachs. (2025). JD.com Inc. (JD) 2025 TechNet China key takeaways: JD retail momentum remains strong; continued focus on takeaway synergies and investments.

[6] Goldman Sachs Global Investment Research. (2025). Focus on China's Internet Industry: The battle over "everyday applications" in the E-commerce Sector, Potential Market Size for Instant Food Delivery Services, Cross-selling and The Final Configuration.

[7] Yang, Z. M. (2021). A study on The Interdependence of Chinese and U.S. Stock Markets During Economic Crises —A Comparative Analysis of The A-share, Hong Kong, and U.S. Stock Markets. National Circulating Economy, (31), 154-156.

[8] Prince, T. (2023). Analysis of Valuation Differences across Global Stock Markets: Taking A-shares, Hong Kong Stocks, and U.S. Stocks as Examples. Heritage Brand Marketing, (21), 36-38.