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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)

**CONTINUING CONNECTED TRANSACTIONS
TERMINATION OF
THE EXISTING CONTRACTUAL ARRANGEMENTS
AND
ENTERING INTO
THE NEW CONTRACTUAL ARRANGEMENTS**

Reference is made to the sections headed “Contractual Arrangements” and “Connected Transactions” in the Prospectus in relation to, among other things, the Existing Contractual Arrangements. Under the Existing Contractual Arrangements, the registered shareholders of Xi’an Jingdong were Mr. Richard Qiangdong Liu as to 45%, Ms. Yayun Li as to 30% and Ms. Pang Zhang as to 25%.

The Board hereby announces that, for administration efficiency purpose, Mr. Richard Qiangdong Liu entered into an equity transfer agreement on September 16, 2022, pursuant to which Mr. Richard Qiangdong Liu agreed to transfer 45% of the equity interests in Xi’an Jingdong to Mr. Qin Miao, the vice president of the JD Group (the “**Equity Transfer**”). Due to the change of one of the registered shareholders, Xi’an Jingdong, WFOE and the New Registered Shareholders entered into the New Contractual Arrangements with the Existing Contractual Arrangements terminated simultaneously. Under the New Contractual Arrangements, the New Registered Shareholders of Xi’an Jingdong are Mr. Qin Miao as to 45%, Ms. Yayun Li as to 30% and Ms. Pang Zhang as to 25%.

LISTING RULES IMPLICATIONS

As the financials and results of operations of Xi’an Jingdong will continue to be accounted for and consolidated into the Group’s financials and results of operations after the signing of the New Contractual Arrangements, the New Registered Shareholders will be considered as connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the New Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

At the time of the Listing, the Stock Exchange has granted the IPO Waiver in connection with the continuing connected transactions of the Group in the form of the Existing Contractual Arrangements, subject to certain conditions as set out therein. As disclosed in the Prospectus, the Existing Contractual Arrangements may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new operating company engaging in the same business as that of the Group, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Existing Contractual Arrangements. Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements as provided under the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements would continue to fall within the scope of the IPO Waiver and are exempt from (i) independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the New Contractual Arrangements; (ii) the requirement of setting an annual cap for the transactions under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange, subject to compliance with the same conditions of the IPO Waiver.

BACKGROUND

Reference is made to the sections headed "Contractual Arrangements" and "Connected Transactions" in the Prospectus in relation to, among other things, the Existing Contractual Arrangements. Under the Existing Contractual Arrangements, the registered shareholders of Xi'an Jingdong were Mr. Richard Qiangdong Liu as to 45%, Ms. Yayun Li as to 30% and Ms. Pang Zhang as to 25%.

The Board hereby announces that, for administration efficiency purpose, Mr. Richard Qiangdong Liu entered into an equity transfer agreement on September 16, 2022, pursuant to which Mr. Richard Qiangdong Liu agreed to transfer 45% of the equity interests in Xi'an Jingdong to Mr. Qin Miao, the vice president of the JD Group (the "**Equity Transfer**"). Due to the change of one of the registered shareholders, Xi'an Jingdong, WFOE and the New Registered Shareholders entered into the New Contractual Arrangements with the Existing Contractual Arrangements terminated simultaneously. Under the New Contractual Arrangements, the New Registered Shareholders of Xi'an Jingdong are Mr. Qin Miao as to 45%, Ms. Yayun Li as to 30% and Ms. Pang Zhang as to 25%.

The New Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, were cloned from the Existing Contractual Arrangements, except for changes to the dates of the relevant agreements relating to the Existing Contractual Arrangements and the parties to those agreements — where Mr. Richard Qiangdong Liu will be changed to Mr. Qin Miao as one of the New Registered Shareholders of Xi'an Jingdong. For further details of other terms of the New Contractual Arrangements, please refer to the paragraph headed "The New Contractual Arrangements" in this announcement.

The Company's PRC legal advisor has confirmed that except as disclosed in the Prospectus: (i) the New Contractual Arrangements is legal, valid and binding on the parties thereto and none of the them would be deemed as void under Civil Code of the PRC; (ii) none of the agreements under the New Contractual Arrangements violates any provisions of respective articles of association of the WFOE or Xi'an Jingdong; and (iii) the New Contractual Arrangements are not in violation of applicable PRC laws and regulations, except for the specific matters set out in the sub-paragraph headed "Dispute Resolution" of this announcement relating to the remedies, reliefs and orders that may be granted by an arbitral body and the enforceability of interim remedies or orders granted by overseas courts in the PRC.

The Company has been advised by its PRC legal advisor, however, that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to the above opinion of its PRC legal advisor. The Company been further advised by its PRC legal advisor that if the PRC government finds that the New Contractual Arrangements do not comply with PRC government restrictions on foreign investment in the relevant businesses conducted by Xi'an Jingdong, the Company could be subject to severe penalties or be forced to relinquish its interests in those operations. For details in relation to the risks relating to the New Contractual Arrangements, please refer to the paragraph headed "Risks and Limitations relating to the New Contractual Arrangements" in this announcement.

Accordingly, Xi'an Jingdong will remain a consolidated affiliated entity of the Company and its financial results will continue to be accounted for and consolidated in the accounts of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As disclosed in the Prospectus and as of the date of this announcement, the businesses operated by the Group include the provision of domestic express delivery of letters business in the PRC (the "**Relevant Business**"). Pursuant to applicable PRC laws and regulations, foreign investors are prohibited to conduct domestic express delivery of letters business, and accordingly, the Group has adopted the Existing Contractual Arrangements, which have enabled the Group, through its wholly-owned subsidiary, WFOE, to exercise control over Xi'an Jingdong and its subsidiaries that hold the relevant license required for carrying out the such services and operating the aforementioned businesses and to consolidate its financial results into the Group's results.

The reasons for changing Mr. Richard Qiangdong Liu to Mr. Qin Miao as one of the New Registered Shareholders of Xi'an Jingdong is to improve administration efficiency of Xi'an Jingdong. Mr. Richard Qiangdong Liu resigned as the chief executive officer of the JD Group in April 2022 to focus on JD Group's long term strategies, mentoring younger management and contributing to the revitalization of rural areas. Mr. Richard Qiangdong Liu, being one of the Existing Registered Shareholders of Xi'an Jingdong, is a non-executive Director and does not involve in the day-to-day operation of the Group, there have been practical difficulties to arrange signing of all the relevant documents of Xi'an Jingdong. For administration efficiency purpose, various administrative matters or filings of Xi'an Jingdong could be more efficiently managed by Mr. Qin Miao, who is the vice president of the JD Group.

BOARD'S VIEW ON THE NEW CONTRACTUAL ARRANGEMENTS

Based on the above, the Board is of the view that the New Contractual Arrangements conferring significant control and economic benefits from Xi'an Jingdong are enforceable under the PRC laws and regulations. The Board is also of the view that, as the New Contractual Arrangements shall have substantially the same terms and conditions as those of the Existing Contractual Arrangements and shall be entered into among the same parties of the Existing Contractual Arrangements except Mr. Qin Miao, the New Contractual Arrangements are a reproduction of the Existing Contractual Arrangements.

The Board believes that the New Contractual Arrangements are narrowly tailored because the New Contractual Arrangements are only used to enable the Group to conduct businesses in industries that are subject to foreign investment restrictions and prohibitions in the PRC, and minimize the potential conflict with relevant PRC laws and regulations.

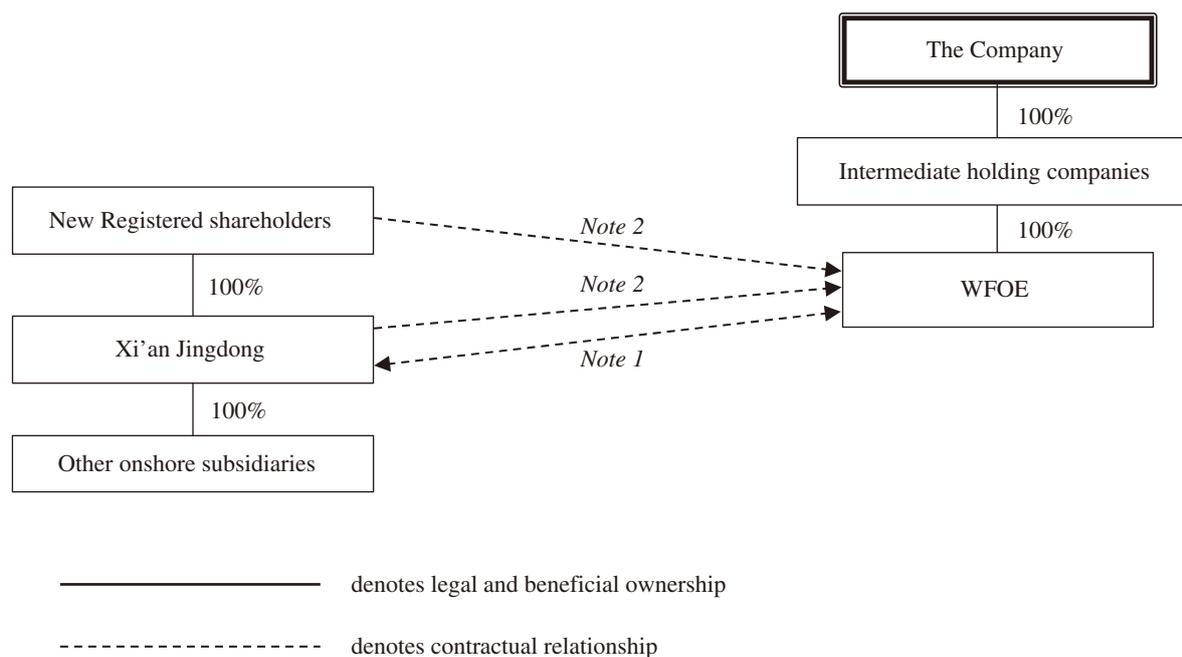
The Board (including the independent non-executive Directors) is of the view that (i) the termination of the Existing Contractual Arrangements and the entering into of the New Contractual Arrangements are fundamental to the Group's legal structure and business operations, and (ii) the New Contractual Arrangements are entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board believes that the New Contractual Arrangements are fair and reasonable because the New Contractual Arrangements were reproduced from the Existing Contractual Arrangements.

Mr. Richard Qiangdong Liu had a material interest in the transactions contemplated under (i) the termination of the Existing Contractual Arrangements, and (ii) the New Contractual Arrangements, and accordingly had abstained from voting at the meeting of the Board to approve the relevant resolutions.

THE NEW CONTRACTUAL ARRANGEMENTS

On September 16, 2022, and immediately following the Equity Transfer, Xi'an Jingdong, WFOE and the New Registered Shareholders entered into the New Contractual Arrangements with the Existing Contractual Arrangements terminated simultaneously. The New Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, were cloned from the Existing Contractual Arrangements, except for changes to the dates of the relevant agreements relating to the Existing Contractual Arrangements and the parties to those agreements — where Mr. Richard Qiangdong Liu will be changed to Mr. Qin Miao as one of the New Registered Shareholders of Xi'an Jingdong.

The following simplified diagram illustrates the arrangement under the New Contractual Arrangements:



Note 1: The WFOE provides business support, technical and consulting services in exchange for service fees from Xi'an Jingdong. Please refer to the paragraph headed "Exclusive Business Cooperation Agreement" in this announcement.

Note 2: The New Registered Shareholders, executed the exclusive option agreement in favor of the WFOE for the acquisition of all or part of the equity interests in and all or part of the assets in Xi'an Jingdong. Please refer to the paragraph headed "Exclusive Option Agreement" in this announcement. The New Registered Shareholders executed shareholders' rights entrustment agreement and the powers of attorney in favor of the WFOE, for the exercise of all shareholders' rights in Xi'an Jingdong. Please refer to the paragraph headed "Shareholders' Rights Entrustment Agreement and Powers of Attorney" in this announcement. The New Registered Shareholders granted security interests in favor of the WFOE, over the entire equity interests in Xi'an Jingdong. Please refer to the paragraph headed "Share Pledge Agreement".

Exclusive Business Cooperation Agreement

Xi'an Jingdong entered into an exclusive business cooperation agreement with the WFOE on September 16, 2022 (the "**Exclusive Business Cooperation Agreement**"), pursuant to which Xi'an Jingdong agrees to engage WFOE as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment leasing, market consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under these arrangements, the service fees, subject to the WFOE's adjustment, are equal to all of the net profit of Xi'an Jingdong and its subsidiaries. The WFOE may adjust the service fees at its sole discretion, after consideration of certain factors, including but not limited to the deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year, and may also include accumulated losses of Xi'an Jingdong and its subsidiaries from previous financial periods, which will be wired to the designated account of the WFOE upon issuance of payment notification by the WFOE. The WFOE enjoys all the economic benefits derived from the businesses of Xi'an Jingdong and bears the relevant portion of the business risks of Xi'an Jingdong. If Xi'an Jingdong runs into financial deficit or suffers severe operation difficulties, the WFOE will provide financial support to Xi'an Jingdong.

Intellectual property rights are developed during the normal course of business of Xi'an Jingdong and its subsidiaries. Pursuant to the Exclusive Business Cooperation Agreement, the WFOE will have the exclusive and proprietary rights to all intellectual properties developed by Xi'an Jingdong and its subsidiaries, in connection with performance of this Exclusive Business Cooperation Agreement. Part of the economic benefits generated by Xi'an Jingdong and its subsidiaries will be intellectual properties developed or created during the normal business operation of Xi'an Jingdong and its subsidiaries. Though the Group does not intend to transfer any existing intellectual property rights held by Xi'an Jingdong to the WFOE, Xi'an Jingdong is required under the New Contractual Arrangements to obtain the WFOE's prior written consent before they transfer, assign or dispose of any of the intellectual properties to any third party.

Unless otherwise terminated early by the WFOE, the Exclusive Business Cooperation Agreement will remain effective unless terminated in the event that (a) the entire equity interests held by the New Registered Shareholders in Xi'an Jingdong or the entire assets of Xi'an Jingdong have been transferred to the WFOE; (b) in accordance with the other provisions of the Exclusive Business Cooperation Agreement.

Exclusive Option Agreement

Xi'an Jingdong and the New Registered Shareholders entered into an exclusive option agreement with the WFOE dated September 16, 2022 (the "**Exclusive Option Agreement**"), pursuant to which the WFOE (or the Company or any subsidiary of the Company, the "designee") is granted an irrevocable and exclusive right to purchase all of the equity interest in and/or assets of Xi'an Jingdong for a nominal price, unless the relevant government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. Subject to relevant PRC laws and regulations, the New Registered Shareholders and/or Xi'an Jingdong shall return any amount of purchase price they have received to the WFOE or its designee. At the WFOE's request, the New Registered Shareholders will promptly transfer their respective equity interests in and/or the relevant assets of Xi'an Jingdong to the WFOE (or its designee) after the WFOE exercises its purchase right. Unless otherwise terminated early by the WFOE through written notice, the Exclusive Option Agreement will remain effective until when all the purchased equity interests and/or the relevant assets are transferred to the WFOE and/or the designee and the WFOE and its subsidiaries have the right to legally conduct the business of Xi'an Jingdong according to the PRC law.

In order to prevent the flow of the relevant assets and value of Xi'an Jingdong and its subsidiaries to the New Registered Shareholders, during the term of the Exclusive Option Agreement, Xi'an Jingdong is not allowed to, and shall procure its subsidiaries not to, sell, transfer, mortgage or otherwise dispose of any of its assets (exceeding the value of RMB1 million) without the prior written consent of the WFOE. In addition, the New Registered Shareholders are not allowed to request for any distributions, gains or other form of profits sharing and should forgo such distributions, gains or any other form of profits sharing within the scope permitted by the PRC law. In the event that the New Registered Shareholders receive any distribution from Xi'an Jingdong and/or its subsidiaries and subject to the PRC laws, the New Registered Shareholders must immediately pay or transfer such distribution to the WFOE (or its designee). If the WFOE exercises its purchase right, all or any part of the equity interests in and/or assets of Xi'an Jingdong acquired would be transferred to the WFOE and the benefits of equity ownership and/or assets, as applicable, would flow to the Company and the Shareholders.

As provided in the Exclusive Option Agreement, without the prior written consent of the WFOE, Xi'an Jingdong shall not, and shall procure its subsidiaries not to, among other things, (i) sell, transfer, pledge or dispose of in any manner any of its assets for a value more than RMB1 million; (ii) execute any material contract for a value more than RMB1 million, except any contracts in the ordinary course of business and any contracts entered into with any members of the Group; (iii) provide any loan, financial support, pledge or guarantees in any form to any third party, or allow any third party create any pledge or other security interest on its assets or equity; (iv) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business of Xi'an Jingdong or not disclosed and consented to by the WFOE; (v) enter into any consolidation or merger with any third party, or acquire or invest in any third party; (vi) increase or reduce its registered capital, or alter the structure of the registered capital in any other way. The Exclusive Option Agreement provides that Xi'an Jingdong shall procure the subsidiaries of Xi'an Jingdong to comply with the above undertaking as if they are parties to the Exclusive Option Agreement. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on the WFOE and the Group in the event of any loss suffered from Xi'an Jingdong and/or its subsidiaries can be limited to a certain extent.

Loan Agreement

Pursuant to the loan agreement dated September 16, 2022 between the WFOE and the New Registered Shareholders (the "**Loan Agreement**"), the WFOE will make loans in an aggregate amount of RMB1 million to the New Registered Shareholders solely for the capitalization of Xi'an Jingdong. Pursuant to the Loan Agreement, the New Registered Shareholders can only repay the loans by the sale of all their equity interest in Xi'an Jingdong to the WFOE or its designated person. The New Registered Shareholders must sell all of their equity interests in Xi'an Jingdong to the WFOE or its designated person and pay all of the proceeds from sale of such equity interests or the maximum amount permitted under PRC law to the WFOE. In the event that the New Registered Shareholders sell their equity interests to the WFOE or its designated person with a price equivalent to or less than the amount of the principal, the loans will be interest free. If the price is higher than the amount of the principal, the excess amount will be paid to the WFOE as the loan interest. The maturity date of the loans is on the tenth anniversary of the date when the New Registered Shareholders received the loans and paid the amount as capital contribution to Xi'an Jingdong. The term of the loans will be extended automatically for an additional 10 years, unless the WFOE objects, for an unlimited number of times. The loan must be repaid immediately under certain circumstances, including, among others, (i) if any other third-party claims against any Registered Shareholder for an amount more than RMB100,000 and the WFOE has reasonable ground to believe that the shareholder is unable to repay the claimed amount, (ii) if a foreign investor is permitted to hold majority or 100% equity interest in Xi'an Jingdong and the WFOE elects to exercise its exclusive purchase option, or (iii) if the Loan Agreement, the Share Pledge Agreement (as defined below) or the Exclusive Option Agreement terminates for cause not attributable to the WFOE or is deemed to be invalid by a court.

Shareholders' Rights Entrustment Agreement and Powers of Attorney

Pursuant to the shareholder's rights entrustment agreement entered into among the New Registered Shareholders, the WFOE and Xi'an Jingdong on September 16, 2022 (the "**Shareholders' Rights Entrustment Agreement**"), and the irrevocable power of attorney executed by each of the New Registered Shareholders on the same day (the "**Power of Attorney**"), whereby the New Registered Shareholders have appointed the WFOE or a director of its offshore holding company or his or her successor (including a liquidator replacing the WFOE's director) as their exclusive agent and attorney to act on their behalf on all matters concerning Xi'an Jingdong and to exercise all of its rights as a registered shareholder of Xi'an Jingdong. These rights include (i) the right to propose, convene and attend shareholders' meetings; (ii) the right to sell, transfer, pledge or dispose of shares; (iii) the right to exercise shareholders' voting rights; and (iv) the right to act as the legal representative (chairperson), the director, supervisor, the chief executive officer (or general manager) and other senior management members of Xi'an Jingdong. The authorized person is entitled to sign minutes, file documents with the relevant companies registry and exercise voting rights on the winding up of Xi'an Jingdong on behalf of the New Registered Shareholders. The New Registered Shareholders have each undertaken to transfer all assets obtained after the winding up of Xi'an Jingdong to the WFOE at nil consideration or the lowest price permissible by the then applicable PRC laws. As a result of the Shareholders' Rights Entrustment Agreement and the Powers of Attorney, the Company, through the WFOE, is able to exercise management control over the activities that most significantly impact the economic performance of Xi'an Jingdong.

The Shareholders' Rights Entrustment Agreement also provided that, in order to avoid potential conflicts of interest, where the New Registered Shareholders are officers or directors of the Group, the powers of attorney are granted in favor of other unrelated officers or the directors of the Group.

The Shareholders' Rights Entrustment Agreement and the Powers of Attorney shall automatically terminate once the WFOE (or any member of the Group other than Xi'an Jingdong and their respective subsidiaries) directly holds the entire equity interests in and/or the entire assets of Xi'an Jingdong once permitted under the then PRC laws and the WFOE (or its subsidiaries) is allowed to conduct the Relevant Business under the then PRC laws, following which the WFOE is registered as the sole shareholder of Xi'an Jingdong.

Share Pledge Agreement

Xi'an Jingdong, the New Registered Shareholders and the WFOE entered into a share pledge agreement on September 16, 2022 (the "**Share Pledge Agreement**"). Under the Share Pledge Agreement, the New Registered Shareholders will pledge as first charge all of their respective equity interests in Xi'an Jingdong to the WFOE as collateral security for any or all of their payments due to the WFOE and to secure performance of their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement, Shareholders' Rights Entrustment Agreement and the Powers of Attorney. The Share Pledge Agreement will not terminate until (i) all obligations of Xi'an Jingdong and the New Registered Shareholders are satisfied in full; (ii) the WFOE exercises its exclusive option to purchase the entire equity interests held by the New Registered Shareholders in Xi'an Jingdong and/or the entire assets of Xi'an Jingdong pursuant to the terms of the Exclusive Option Agreement when it is permitted to do so under the applicable PRC laws; (iii) the WFOE exercises its unilateral and unconditional right of termination; or (iv) the Share Pledge Agreement is required to be terminated in accordance with applicable PRC laws. In addition, under the Exclusive Option Agreement, none of the New Registered Shareholders may transfer or permit the encumbrance of any of their equity interests in and the relevant assets of Xi'an Jingdong without the WFOE's prior written consent. Furthermore, under the Exclusive Business Cooperation Agreement, the WFOE is entitled to retain and exercise physical control of company seals and certificates that are crucial to the daily operations of Xi'an Jingdong, which further strengthens the protection of the WFOE's interests over Xi'an Jingdong under the New Contractual Arrangements. Should an event of default (as provided in the Share Pledge Agreement) occur, unless it is successfully resolved to the WFOE's satisfaction within 30 days upon being notified by the WFOE, the WFOE may demand that Xi'an Jingdong immediately pay all outstanding payments due under the Exclusive Business Cooperation Agreement, repay any loans and make all other payments due to it, and/or dispose of the pledged equity interests and use the proceeds to repay any outstanding payments due to the WFOE. The New Registered Shareholders have pledged their equity interests in Xi'an Jingdong to WFOE and will register such pledges with the relevant PRC governmental authority pursuant to PRC laws and regulations.

Other key terms thereunder

Dispute resolution

Each of the New Contractual Arrangements stipulates that the parties thereto shall negotiate in good faith to resolve any dispute with respect to the construction and performance of the provisions of any the New Contractual Arrangements. In the event the parties fail to resolve such a dispute within 30 days after any party's request for resolution of the dispute through negotiations, any party may submit the relevant dispute to the Beijing Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on all parties. Any party shall have the right to apply to the courts with competent jurisdiction for enforcement of arbitration rulings after the arbitration rulings come into force.

Each of the New Contractual Arrangements also provides that (i) the arbitral tribunal may award remedies over the equity interests, assets or property interest of Xi'an Jingdong, injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of Xi'an Jingdong; and (ii) the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company) and other jurisdiction (being the place of domicile of Xi'an Jingdong and where the principal assets of Xi'an Jingdong and the WFOE are located) also have jurisdiction for the grant or enforcement of the arbitral award and the interim remedies against the equity or property interest of Xi'an Jingdong.

However, the Company's PRC legal adviser has advised that (i) a tribunal normally would not grant such kind of injunctive relief or winding up order of Xi'an Jingdong under PRC laws; (ii) interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; and (iii) even if the abovementioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreement under the New Contractual Arrangements.

As a result of the above, in the event that the Group's consolidated affiliated entity, Xi'an Jingdong or the New Registered Shareholders breach any of the New Contractual Arrangements, the Company may not be able to obtain sufficient remedies in a timely manner, and the Company's ability to exert effective control over the Group's consolidated affiliated entities and conduct of the Group's business could be materially and adversely affected.

Succession

The provisions set out in the New Contractual Arrangements are also binding on the successors of the New Registered Shareholders, as if the successors were signing parties to the New Contractual Arrangements. Under the succession laws of the PRC, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and the maternal grandparents and any breach by the successors would be deemed to be a breach of the New Contractual Arrangements. In case of a breach, the WFOE can enforce its rights against the successors. Pursuant to the New Contractual Arrangements, any successor of the New Registered Shareholders shall inherit any and all rights and obligations of the New Registered Shareholders under the New Contractual Arrangements as a result of their death, loss of capacity, marriage, divorce, bankruptcy or under other circumstance which would affect their exercise of equity interest in Xi'an Jingdong, as if the successor was a signing party to such Contractual Arrangements.

According to the terms of the Exclusive Option Agreement, each of the New Registered Shareholders has undertaken, in the event of death or any other event which causes the inability of the shareholder to perform their day-to-day obligations including bankruptcy, marriage or divorce, to transfer all of the equity interests, including right and obligations, in Xi'an Jingdong, held by them without consideration to the WFOE or an individual or legal entity designated by the WFOE under applicable PRC law.

In addition, the spouses of the relevant New Registered Shareholders execute an irrevocable undertaking on September 16, 2022, whereby they expressly and irrevocably acknowledge and undertake that (i) any equity interests held by the relevant New Registered Shareholders in Xi'an Jingdong do not fall within the scope of their communal properties; (ii) they will not have any claim on the interests of Xi'an Jingdong obtained through the New Contractual Arrangements; (iii) they have never participated and will not participate in the operation or management of Xi'an Jingdong.

Based on the foregoing, the Company's PRC legal adviser is of the view that (i) the New Contractual Arrangements provide protection to the Group even in the event of loss of capacity, death, bankruptcy (if applicable), marriage or divorce of the New Registered Shareholders; and (ii) loss of capacity, death, bankruptcy (if applicable), marriage or divorce of the New Registered Shareholders would not affect the validity of the New Contractual Arrangements, and the WFOE can enforce its rights under the New Contractual Arrangements against the successors of such shareholders.

Arrangements to address potential conflicts of interest

Each of the New Registered Shareholders has given their irrevocable undertakings in the shareholders' rights entrustment agreement which address potential conflicts of interests that may arise in connection with the New Contractual Arrangements. For further details, please refer to the paragraph headed "Shareholders' Rights Entrustment Agreement and the Powers of Attorney" in this announcement.

Loss sharing

None of the agreements constituting the New Contractual Arrangements provides that the Company or the WFOE is obligated to share the losses of Xi'an Jingdong, but if Xi'an Jingdong suffers any losses or material difficulties of business, the WFOE will provide financial support as permitted under PRC laws at its discretion to Xi'an Jingdong under the terms of the Exclusive Business Cooperation Agreement. Further, Xi'an Jingdong is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. Under PRC laws and regulations, the Company or the WFOE are not expressly required to share the losses of Xi'an Jingdong or provide financial support to Xi'an Jingdong. Despite the foregoing, given that the Group conduct the Relevant Business in the PRC through the Group's consolidated affiliated entities which hold the requisite PRC license and approvals and that Xi'an Jingdong's results of operations and assets and liabilities are consolidated into the Group's results of operations and assets and liabilities under the applicable accounting principles, the Group's business, financial condition and results of operations would be adversely affected if the consolidated affiliated entities suffered losses.

Liquidation

Pursuant to the Exclusive Option Agreement, in the event of a mandatory liquidation required by PRC laws, Xi'an Jingdong shall sell all of its assets, to the extent permitted by PRC laws, to the WFOE or another qualifying entity designated by the WFOE, at the lowest selling price permitted by applicable PRC laws. Any obligation for the WFOE to pay Xi'an Jingdong as a result of such transaction shall be waived by Xi'an Jingdong and any profits arising from the above transactions shall be paid to the WFOE or the qualifying entity designated by the WFOE in partial satisfaction of the service fees under the exclusive business cooperation agreement, as applicable under the then current PRC laws. Accordingly, in the event of winding up of Xi'an Jingdong, a liquidator may seize the relevant assets of Xi'an Jingdong through the WFOE based on the New Contractual Arrangements for the benefit of the Group's creditors/shareholders.

Termination

Each of the New Contractual Arrangements provides that the WFOE and Xi'an Jingdong shall terminate the New Contractual Arrangements once the WFOE holds the entire equity interests in and/or the entire assets of Xi'an Jingdong under the then PRC laws and if the WFOE or its subsidiaries are able to conduct the Relevant Business directly as a result of being permitted to do so under the then PRC laws and the WFOE is registered as the sole shareholder of Xi'an Jingdong. In addition, pursuant to the Exclusive Business Cooperation Agreement aforementioned, the WFOE has the unilateral right to terminate such agreement at any time by providing 30 days' advance written notice to Xi'an Jingdong.

RISKS AND LIMITATIONS RELATING TO THE NEW CONTRACTUAL ARRANGEMENTS

- 1. If the PRC government deems that the New Contractual Arrangements in relation to the Company's consolidated affiliated entities do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, the Group could be subject to severe penalties or be forced to relinquish the Group's interests in those operations.**

Notwithstanding the Company's PRC legal adviser is of the view that the New Contractual Arrangements do not contravene with any applicable laws and regulations, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules; accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of the Company's PRC legal adviser. It is uncertain whether any other new PRC laws or regulations relating to consolidated affiliated entity structures will be adopted or if adopted, what they would provide. If the Company or its consolidated affiliated entities are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including:

- revoking the business licenses of such entity;

- discontinuing or restricting the conduct of any transactions between certain of the Company's PRC subsidiaries and consolidated affiliated entities;
- imposing fines, confiscating the income from the Company's consolidated affiliated entities, or imposing other requirements with which the Company or its consolidated affiliated entities may not be able to comply;
- requiring the Company to restructure the Group's ownership structure or operations, including terminating the New Contractual Arrangements with Xi'an Jingdong and deregistering the equity pledges of Xi'an Jingdong, which in turn would affect its ability to consolidate, derive economic interests from, or exert effective control over Xi'an Jingdong; or
- restricting or prohibiting the Group's use of the proceeds of any of its financing outside China to finance its business and operations in China.

The imposition of any of these penalties would result in a material and adverse effect on the Group's ability to conduct its business. In addition, it is unclear what impact the PRC government actions would have on the Group and on its ability to consolidate the financial results of Xi'an Jingdong in its combined financial statements, if the PRC government authorities were to find the Group's legal structure and the New Contractual Arrangements to be in violation of PRC laws and regulations. If the imposition of any of these government actions causes the Group to lose its right to direct the activities of Xi'an Jingdong or the Group's right to receive substantially all the economic benefits and residual returns from Xi'an Jingdong and the Group is unable to restructure its ownership structure and operations in a satisfactory manner, the Company would no longer be able to consolidate the financial results of Xi'an Jingdong in the Group's combined financial statements. Either of these results, or any other significant penalties that might be imposed on the Group in this event, would have a material adverse effect on the Group's financial condition and results of operations.

2. The Group relies on the New Contractual Arrangements with Xi'an Jingdong and the New Registered Shareholders for a portion of the Group's business operations, which may not be as effective as direct ownership in providing operational control.

The Group has relied and expect to continue to rely on contractual arrangements with Xi'an Jingdong and the New Registered Shareholders to operate part of the Group's express delivery services.

If the Company had direct ownership of Xi'an Jingdong, the Company would be able to exercise its rights as a shareholder to effect changes in the board of directors of Xi'an Jingdong, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the New Contractual Arrangements, the Group relies on the performance by Xi'an Jingdong and the New Registered Shareholders of their obligations under the contracts to exercise control over Xi'an Jingdong. However, the New Registered Shareholders may not act in the best interests of the Group or may not perform its obligations under these contracts. Such risks exist throughout the period in which the Group intends to operate its business through the New Contractual Arrangements with Xi'an Jingdong. The Company may replace the registered shareholders of Xi'an Jingdong at any time pursuant to the New Contractual Arrangements with Xi'an Jingdong and the New Registered Shareholders. However, if any dispute relating to these contracts remains unresolved, the Group will have to enforce its rights under these contracts through the operations of PRC law and courts and therefore will be subject to uncertainties in the PRC legal system. Therefore, the New Contractual Arrangements with Xi'an Jingdong may not be as effective in ensuring the Company's control over the relevant portion of its business operations as direct ownership would be.

3. Any failure by Xi'an Jingdong or the New Registered Shareholders to perform their obligations under the New Contractual Arrangements with them would have a material and adverse effect on the Group's business.

If Xi'an Jingdong or the New Registered Shareholders fail to perform their respective obligations under the New Contractual Arrangements, the Group may have to incur substantial costs and expend additional resources to enforce such arrangements. The Group may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and claiming damages, which the Company cannot assure the Shareholders will be effective. For example, if the New Registered Shareholders refuse to transfer their equity interest in Xi'an Jingdong to the Company or its designee when the WFOE exercises the purchase option pursuant to the New Contractual Arrangements, or if they were otherwise to act in bad faith toward the Group, the Group may have to take legal actions to compel them to perform their contractual obligations.

Xi'an Jingdong holds certain of the Group's important licenses and permits to operate its business. In the event the Group is unable to enforce the New Contractual Arrangements, the Company may not be able to exert effective control over Xi'an Jingdong, and the Group's ability to conduct these businesses may be negatively affected, which may have a material and adverse effect on the Group's financial condition and results of operations.

4. The New Registered Shareholders may have potential conflicts of interest with the Group, which may materially and adversely affect its business and financial condition.

The New Registered Shareholders may have potential conflicts of interest with the Group. The New Registered Shareholders may breach, or cause Xi'an Jingdong to breach, or refuse to renew, the New Contractual Arrangements the Group has with them and Xi'an Jingdong, which would have a material and adverse effect on the Company's ability to effectively control its consolidated affiliated entities and receive substantially all the economic benefits from it. The Company cannot assure the Shareholders that when conflicts of interest arise, any or all of the New Registered Shareholders will act in the best interests of the Group or such conflicts will be resolved in the Group's favor. If the Group cannot resolve any conflict of interest or dispute between the Group and the New Registered Shareholders, the Group would have to rely on legal proceedings, which could result in disruption of its business and subject the Group to substantial uncertainty as to the outcome of any such legal proceedings.

5. The New Contractual Arrangements in relation to Xi'an Jingdong may be subject to scrutiny by the PRC tax authorities and they may determine that the Company or Xi'an Jingdong owe additional taxes, which could negatively affect the Group's financial condition and the value of the Shareholders' investment.

Under applicable PRC laws and regulations, transactions among related parties may be subject to audit or challenge by the PRC tax authorities. If the PRC tax authorities deem the transactions between the Company's PRC subsidiaries and consolidated affiliated entities, and the New Registered Shareholders were not entered into on an arm's-length basis and resulted in deferral or underpayment in taxes, they are entitled to make special tax adjustments which might result in the increase of the consolidated affiliated entities' tax liabilities. If the tax authorities conduct special tax adjustments, they might impose interest charges for the underpaid taxes. The Group's financial position could be adversely affected if the Company's consolidated affiliated entities' tax liabilities increase or if they are required to pay interest charge.

6. The Group's current corporate structure and business operations may be affected by the Foreign Investment Law.

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law (the "FIL"), which became effective on January 1, 2020 and replaced the outgoing laws regulating foreign investment in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law and the Wholly Foreign-owned Enterprise Law, as well their implementation rules and ancillary regulations, or the Outgoing FIE Laws.

Meanwhile, the Implementation Rules to the PRC Foreign Investment Law came into effect as of January 1, 2020, which clarified and elaborated the relevant provisions of the FIL. However, uncertainties still exist in relation to interpretation and implementation of the FIL, especially in regard to, including, among other things, the nature of consolidated affiliated entity contractual arrangements and specific rules regulating the organization form of foreign-invested enterprises within the five-year transition period. While FIL does not define contractual arrangements as a form of foreign investment explicitly, it has a catch-all provision under definition of “foreign investment” that includes investments made by foreign investors in the PRC through other means as provided by laws, administrative regulations or the State Council, the Company cannot assure the Shareholders that future laws and regulations will not provide for contractual arrangements as a form of foreign investment. Therefore, there can be no assurance that the Company’s control over Xi’an Jingdong through the New Contractual Arrangements will not be deemed as foreign investment in the future. In the event that any possible implementing regulations of the FIL, any other future laws, administrative regulations or provisions deem contractual arrangements as a way of foreign investment, or if any of the Group’s operations through the New Contractual Arrangements is classified in the “restricted” or “prohibited” industry in the future “negative list” under the FIL, the New Contractual Arrangements may be deemed as invalid and illegal, and the Group may be required to unwind the contractual arrangements and/or dispose of any affected business. Also, if future laws, administrative regulations or provisions mandate further actions to be taken with respect to the New Contractual Arrangements, the Group may face substantial uncertainties as to whether the Group can complete such actions in a timely manner, or at all.

LISTING RULES IMPLICATIONS

As the financials and results of operations of Xi’an Jingdong will continue to be accounted for and consolidated into the Group’s financials and results of operations after the signing of the New Contractual Arrangements, the New Registered Shareholders will be considered as connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the New Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

At the time of the Listing, the Stock Exchange has granted the IPO Waiver in connection with the continuing connected transactions of the Group in the form of the Existing Contractual Arrangements, subject to certain conditions as set out therein. As disclosed in the Prospectus, the Existing Contractual Arrangements may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new operating company engaging in the same business as that of the Group, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Existing Contractual Arrangements. Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements as provided under the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements would continue to fall within the scope of the IPO Waiver and are exempt from (i) independent Shareholders’ approval requirements under Chapter 14A of the Listing

Rules in respect of the transactions contemplated under the New Contractual Arrangements; (ii) the requirement of setting an annual cap for the transactions under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange, subject to compliance with the same conditions of the IPO Waiver.

INFORMATION ON THE PARTIES

The Company is an investment holding company and is incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange (stock code: 2618). As a leading technology-driven supply chain solutions and logistics services provider in China, the Group offers a full spectrum of supply chain solutions and high-quality logistics services enabled by technology, ranging from warehousing to distribution, spanning across manufacturing to end-customers, covering regular and specialized items.

WFOE is a limited liability company established in the PRC and wholly owned by the Company. WFOE is principally engaged in technology and consulting services.

Xi'an Jingdong is a company established in the PRC and a consolidated affiliated entity of the Company. Xi'an Jingdong is principally engaged in freight transportation service.

The New Registered Shareholders are the shareholders of Xi'an Jingdong, which is held by Mr. Qin Miao as to 45%, Ms. Yayun Li as to 30% and Ms. Pang Zhang as to 25%. Mr. Qin Miao is a senior management of JD Group. Ms. Yayun Li is a former employee (including as Chief Compliance Officer) of JD Group. Ms. Yayun Li is currently a director and chief executive officer of Jingdong Technology Holding Co., Ltd., an associate of the JD Group, and she has been a registered shareholder of Xi'an Jingdong since June 23, 2017. Ms. Pang Zhang was a non-executive Director and has served as JD Group's chief human resources officer since December 2020. Ms. Pang Zhang has also been a registered shareholder of Xi'an Jingdong since June 23, 2017.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

“Board”	the board of Directors
“Company”	JD Logistics, Inc. (京东物流股份有限公司), an exempted company with limited liability incorporated in the Cayman Islands on January 19, 2012, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2618)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Contractual Arrangements”	the series of contractual arrangements entered into by, among others, WFOE, Xi’an Jingdong and the Existing Registered Shareholders, details of which are described in the section headed “Contractual Arrangements” in the Prospectus
“Existing Registered Shareholders”	Mr. Richard Qiangdong Liu (劉強東), Ms. Yayun Li (李婭雲) and Ms. Pang Zhang (張雱)
“Group”	the Company and its subsidiaries and consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IPO Waiver”	the waiver granted by the Stock Exchange to the Company from strict compliance with (i) the announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Existing Contractual Arrangements, (ii) the requirement of setting annual caps for the transactions under the Existing Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Existing Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, subject to certain conditions, details of which are disclosed in the section headed “Connected Transactions” in the Prospectus
“JD.com”	JD.com, Inc., one of the controlling shareholders of the Company, a company incorporated in the British Virgin Islands on November 6, 2006 and subsequently redomiciled to the Cayman Islands on January 16, 2014 as an exempted company registered by way of continuation under the laws of the Cayman Islands and the shares of which are listed on the Main Board (stock code: 9618) under Chapter 19C of the Listing Rules and the ADSs of which are listed on Nasdaq under the symbol “JD” and, where the context requires, includes its consolidated subsidiaries and consolidated affiliated entities from time to time
“JD Group”	JD.com and its subsidiaries and consolidated affiliated entities
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the Company’s prospectus dated May 17, 2021
“New Contractual Arrangements”	the series of contractual arrangements entered into by and among WFOE, Xi’an Jingdong and the New Registered Shareholders
“New Registered Shareholders”	Mr. Qin Miao (繆欽), Ms. Yayun Li (李婭雲) and Ms. Pang Zhang (張雱)
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.000025 each
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WFOE”	Xi’an Jingxundi Supply Chain Technology Co., Ltd. (西安京迅遞供應鏈科技有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Xi’an Jingdong”	Xi’an Jingdong Xincheng Information Technology Co., Ltd. (西安京東信成信息技術有限公司), a company established in the PRC and a consolidated affiliated entity of the Company
“%”	per cent

By order of the Board
JD Logistics, Inc.
Mr. Yui Yu
Executive Director

Hong Kong, September 16, 2022

As at the date of this announcement, the Board comprises Mr. Yui Yu as executive Director, Mr. Richard Qiangdong Liu as non-executive Director, and Ms. Nora Gu Yi Wu, Ms. Carol Yun Yau Li, Mr. Liming Wang, Dr. Xiande Zhao and Mr. Yang Zhang as independent non-executive Directors.