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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 PROCUREMENT FRAMEWORK AGREEMENT**

### **PROCUREMENT FRAMEWORK AGREEMENT**

On April 12, 2024, the Company entered into the Procurement Framework Agreement with JD.com, pursuant to which the Group shall procure various types of equipment, products and supplies from JD Group and its associates, including, among others, logistics equipment, vehicles, electronic equipment, office equipment, packing and other consumable materials.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, JD.com indirectly holds approximately 63.4% of the Company and is a connected person of the Company by virtue of being a controlling shareholder of the Company. Accordingly, the transactions contemplated under the Procurement Framework Agreement constitute continuing connected transactions of the Company pursuant to the Listing Rules.

As all of the applicable percentage ratios calculated with reference to the highest annual cap for the transactions contemplated under the Procurement Framework Agreement are more than 0.1% but less than 5%, the entering into of the Procurement Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

# PROCUREMENT FRAMEWORK AGREEMENT

On April 12, 2024, the Company and JD.com entered into the Procurement Framework Agreement, the principal terms of which are set out below:

- Date:** April 12, 2024
- Parties:**
- (a) the Company (for itself and on behalf of its subsidiaries and consolidated affiliated entities); and
  - (b) JD.com (for itself and on behalf of its subsidiaries, its consolidated affiliated entities and its associate(s), excluding the Group)
- Term:** April 12, 2024 to December 31, 2026
- Subject matter:** Pursuant to the Procurement Framework Agreement, the Group shall procure various types of equipment, products and supplies from JD Group and its associates, including, among others, logistics equipment, vehicles, electronic equipment, office equipment, packing and other consumable materials, in the Group's ordinary and usual course of business.

Separate underlying agreements will be entered into between the relevant parties which will set out the specific scope of procurement, the prices, method of payment and other details of the procurement arrangements in the manner provided in the Procurement Framework Agreement.

## Reasons and benefits for entering into the Procurement Framework Agreement

JD.com is a leading supply chain-based technology and service provider. It is beneficial for the Group to enter into the Procurement Framework Agreement, as the Procurement Framework Agreement enables the Group to (i) secure a steady source of the relevant equipment, products and supplies with reliable quality and at favorable terms in the Group's ordinary course of business, thereby avoiding unnecessary disruption to the Group's operations in any event; and (ii) fully leverage the strengths of JD Group and its associates as a leading supply chain-based technology and service provider (including JD Group and its associates' scale of business, market leadership, brand recognition, cutting-edge technologies, industry know-how capabilities and well-established ecosystem) to enhance efficiency and reduce costs.

The Group is not bound and will not be bound to procure the relevant equipment, products and supplies provided by JD Group and its associates. The Group also procures the relevant equipment, products and supplies from other independent third party suppliers, and will continue to engage other independent third party suppliers if the terms and conditions for the relevant equipment, products and supplies provided by independent third party suppliers are more favorable to the Group.

The Directors (including the independent non-executive Directors, and not including Mr. Richard Qiangdong Liu, who has abstained) have, after due and careful consideration, determined that terms of the Procurement Framework Agreement and the transactions contemplated thereunder (including the annual caps) are: (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole.

### **Pricing policies**

The prices of the relevant equipment, products and supplies provided by JD Group and its associates under the Procurement Framework Agreement shall be determined by both parties based on fair market rates with reference to (i) the price quotations that the Group obtained from independent third party suppliers for comparable equipment, products and supplies, and (ii) the prices charged by JD Group and its associates to any independent third party customers of strategic positions, taking into account the business volume. The Group will from time to time review the prices for the relevant equipment, products and supplies by comparing them against market prices chargeable by independent third party suppliers for equipment, products and supplies of similar nature and specifications, and ensure that the terms the Group obtained from JD Group and its associates shall be on normal commercial terms or better as compared to those provided by independent third party suppliers.

Further, the Group will only enter into a subsequent agreement with JD Group and its associates if (i) the terms and conditions are fair and reasonable, and (ii) it is in the best interests of the Company and its Shareholders as a whole.

### **Historical transaction amounts**

The historical transaction amounts of the relevant procurement by the Group from JD Group and its associates for the year ended December 31, 2023 were approximately RMB37 million.

### **Annual caps**

In respect of the Procurement Framework Agreement, the transaction amounts for each of the three years ending December 31, 2026 shall not exceed the annual caps as set out in the table below:

	<b>For the year ending December 31,</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>(RMB in million)</i>		
Transaction amounts to be paid by the Group to JD Group and its associates	268	502	753

## **Basis for annual caps**

The annual caps for the Procurement Framework Agreement were determined with reference to:

- (a) the historical transaction amounts for the year ended December 31, 2023;
- (b) the expected increase in the overall demand for the relevant equipment, products and supplies by the Group, considering the expected growth in the Group's supply chain solutions and logistics services business volume in the next three years; and
- (c) the expected increase in the demand for the relevant equipment, products and supplies to be provided by JD Group and its associates. In light of the benefits for engaging JD Group and its associates in the provision of the relevant equipment, products and supplies as stated above and in accordance with the Group's business strategy, if the terms and conditions offered by JD Group and its associates are more favorable to the Group as compared to other independent third party suppliers, the Group will engage JD Group and its associates for the provision of such equipment, products and supplies more frequently and instead of using other independent third party suppliers.

## **INTERNAL CONTROLS FOR THE CONTINUING CONNECTED TRANSACTIONS**

The Company, since its listing, has adopted and implemented a series of internal control measures for continuing connected transactions, and the Board and various internal departments of the Company are responsible for the control and management in respect of the continuing connected transactions. For instance, the Company has adopted and will continue to adopt the following existing internal control measures for the Procurement Framework Agreement:

- (a) the Board and various internal departments of the Company (including the finance, legal and compliance and business operation departments) will be jointly responsible for evaluating the terms under the Procurement Framework Agreement, in particular, the fairness and reasonableness of the pricing policies and the annual caps under the said agreement, on an annual basis;
- (b) the business operation department and finance department have and will continue to closely monitor the actual transaction amounts relating to the continuing connected transactions under the Procurement Framework Agreement on a semi-annually basis. If the actual transaction amount reaches certain threshold of the annual caps of the relevant continuing connected transactions (i.e. 50% in the first half of the year), or if the business operation department and finance department expect that the relevant business operations will expand and may use up a substantial part of the annual caps in the short run, the matter shall promptly be escalated to the Chief Financial Officer. The Chief Financial Officer will assess if there is a need to revise the existing annual caps, and if so, revise the annual caps in accordance with the relevant internal procedures of the Company and re-comply with the requirements under the Listing Rules;

- (c) before the Company enters into any of the transactions under the Procurement Framework Agreement, the responsible business units must ensure the pricing policies are adhered to and the pricing of the transactions is the same as, or within the price range of, comparable transactions carried out with independent third parties in the market (where such transactions are available for references);
- (d) the Company's internal audit department will monitor and assess the effectiveness and adequacy of the overall formulation and execution of internal control policies of the Company (including those in relation to the continuing connected transactions), and will make recommendation and report to the audit committee of the Company annually;
- (e) the Company's external auditors will review the continuing connected transactions under the Procurement Framework Agreement annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the annual cap has been exceeded; and
- (f) the independent non-executive Directors will also review the continuing connected transactions under the Procurement Framework Agreement annually to check and confirm whether such continuing connected transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policies.

Based on the above, the Board considers that the pricing policies and internal control mechanism and procedures in place for the Procurement Framework Agreement can ensure the transactions contemplated thereunder will be conducted on normal commercial terms or better.

## **INFORMATION ON THE PARTIES**

### **The Group**

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 covering various industries to customers and consumers.

### **JD.com**

As of the date of this announcement, JD.com, through its wholly-owned subsidiary Jingdong Technology Group Corporation, is indirectly interested in 4,192,271,100 Shares, representing approximately 63.4% of the Company's total issued share capital. As of December 31, 2023, Mr. Richard Qiangdong Liu, a non-executive Director, held approximately 69.9% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.

JD.com is a controlling shareholder of the Company, the shares of JD.com are listed on the Main Board of the Stock Exchange (stock codes: 9618 (HKD counter) and 89618 (RMB counter)) under Chapter 19C of the Listing Rules and the ADSs of which are listed on NASDAQ under the symbol “JD”. JD.com is a leading supply chain-based technology and service provider. Its cutting-edge retail infrastructure seeks to enable consumers to buy whatever they want, whenever and wherever they want it. JD.com has opened its technology and infrastructure to partners, brands and other sectors, as part of its retail as a service offering to help drive productivity and innovation across a range of industries.

## **LISTING RULES IMPLICATIONS**

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As all of the applicable percentage ratios calculated with reference to the highest annual cap for the respective transactions contemplated under the Procurement Framework Agreement are more than 0.1% but less than 5%, the entering into of the Procurement Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

Mr. Richard Qiangdong Liu is deemed or may be perceived to have a material interest in the Procurement Framework Agreement, and as a result has abstained from voting on matters relating to the Procurement Framework Agreement. Other than the aforesaid Director, no other Directors have a material interest in the Procurement Framework Agreement or are required to abstain from voting on the resolutions of the Board approving the transactions thereunder.

## **DEFINITIONS**

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

<b>“associate(s)”</b>	has the meaning ascribed thereto under the Listing Rules
<b>“Board”</b>	board of Directors
<b>“China” or “PRC”</b>	the People’s Republic of China

<b>“Company”</b>	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)
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“continuing connected transaction(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“controlling shareholder(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Procurement Framework Agreement”</b>	the framework agreement dated April 12, 2024 entered into between the Company and JD.com in relation to the procurement of various types of equipment, products and supplies by the Group from JD Group and its associates
<b>“Group”</b>	the Company, its subsidiaries and consolidated affiliated entities from time to time
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“JD.com”</b>	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 codes: 9618 (HKD counter) and 89618 (RMB counter)) 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
<b>“JD Group”</b>	JD.com, its subsidiaries and consolidated affiliated entities, excluding the Group
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“RMB”</b>	Renminbi, the lawful currency of China
<b>“Share(s)”</b>	ordinary share(s) in the share capital of our Company with par value of US\$0.000025 each

“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, April 12, 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, Mr. Liming Wang, Dr. Xiande Zhao and Mr. Yang Zhang as independent non-executive Directors.*