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)

MAJOR TRANSACTION AND CONNECTED TRANSACTION ACQUISITION OF THE REMAINING 36.43% EQUITY INTEREST IN KUAYUE-EXPRESS

The Board announces that on December 6, 2024, the Purchaser and the Vendors entered into the Equity Transfer Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendors conditionally agreed to sell, an aggregate of approximately 36.43% equity interest in the Target Company at the total consideration of not more than approximately RMB6,484 million subject to adjustments as set out in the Equity Transfer Agreement.

As of the date of this announcement, the Target Company is a non-wholly owned subsidiary of the Purchaser and held as to approximately 63.57% by the Purchaser. Upon the Third Phase Completion, the Group will hold 100% equity interest in the Target Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but such ratios are all less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Hu (a director and a substantial shareholder of the Target Company) and Ms. Xu (a director of the Target Company and the spouse of Mr. Hu) are connected persons of the Company at the subsidiary level. As (i) Shanghai Hailu is a limited partnership entity of which the general partner is a company held by Mr. Hu and Ms. Xu as to 60% and 40%, respectively, and (ii) Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao are all limited partnership entities of which the general partner is Ms. Xu, Shanghai Hailu, Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao are associates of Mr. Hu and Ms. Xu under Rule 14A.12 of the Listing Rules and connected persons of the Company. Accordingly, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Acquisition. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) further particulars of the Acquisition, (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition, (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, (iv) the financial information of the Target Company, (v) the unaudited proforma financial information of the enlarged Group, (vi) the Valuation Report, and (vii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before January 24, 2025, as additional time will be required to prepare the relevant information to be included in the circular.

The Board announces that on December 6, 2024, the Purchaser and the Vendors entered into the Equity Transfer Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendors conditionally agreed to sell, an aggregate of approximately 36.43% equity interest in the Target Company at the total consideration of not more than approximately RMB6,484 million subject to adjustments as set out in the Equity Transfer Agreement.

As of the date of this announcement, the Target Company is a non-wholly owned subsidiary of the Purchaser and held as to approximately 63.57% by the Purchaser. Upon the Third Phase Completion, the Group will hold 100% equity interest in the Target Company.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows:

Date: December 6, 2024

Parties (a) the Purchaser

(b) the Vendors

Details of the Vendors and their respective equity interest in the Target Company as at the date of this announcement are set out below:

	Vendors	Approximate equity interest in the Target Company
(i)	Mr. Hu	0.60%
(ii)	Ms. Xu	2.42%
(iii)	Shanghai Hailu	28.74%
(iv)	Ningbo Hairui	0.67%
(v)	Ningbo Kuahang	1.99%
(vi)	Ningbo Qiaohao	1.99%
	In aggregate	**36.43%**

Subject matter

Pursuant to the Equity Transfer Agreement, the Purchaser conditionally agreed to purchase, and the Vendors conditionally agreed to sell, an aggregate of approximately 36.43% equity interest in the Target Company in three phases as follows:

(a) ***First Phase Acquisition:*** At the First Phase Completion (as defined below), Shanghai Hailu shall transfer approximately 16.43% equity interest in the Target Company to the Purchaser at the First Phase Consideration.

(b) ***Second Phase Acquisition:*** At the Second Phase Completion (as defined below), Shanghai Hailu shall transfer approximately 10% equity interest in the Target Company to the Purchaser at the Second Phase Consideration.

(c) ***Third Phase Acquisition:*** At the Third Phase Completion (as defined below), the Vendors shall transfer or shall procure the transfer of an aggregate of approximately 10% equity interest in the Target Company to the Third Phase Purchasers at the Third Phase Consideration.

Total Consideration and payment arrangements

(a) First Phase Consideration

Consideration

At the First Phase Completion (as defined below), Shanghai Hailu shall transfer approximately 16.43% equity interest in the Target Company to the Purchaser at the consideration of approximately RMB2,314 million (being the First Phase Consideration and subject to the Performance-based Consideration Adjustment (as defined below)), which comprises:

(i) approximately RMB2,045 million, being the base consideration, of which approximately RMB1,702 million shall be the immediate payment and the remaining approximately RMB343 million (the "**First Phase Base Deferred Consideration**") shall be the deferred payment; and

(ii) approximately RMB269 million, being the earn out amount, of which RMB100 million shall be the immediate payment (together with the immediate payment set out in (i) above, the "**First Phase Immediate Consideration**") and the remaining approximately RMB169 million (the "**First Phase Earn Out Deferred Amount**") shall be the deferred payment.

Payment arrangements

Upon the satisfaction or waiver (as the case may be) of the First Phase Conditions and the Other Conditions and subject to the Performance-based Consideration Adjustment (as defined below):

(i) the First Phase Immediate Consideration shall be paid in cash by the Purchaser to the designated bank account of Shanghai Hailu at the First Phase Completion (as defined below);

(ii) the First Phase Base Deferred Consideration shall be paid by the Purchaser in cash to the designated bank account of Shanghai Hailu within 150 days from the First Phase Completion (as defined below) or a date otherwise determined by Shanghai Hailu and the Purchaser; and

(iii) the First Phase Earn Out Deferred Amount shall be settled in cash in accordance with the Deferred Payment Arrangement (as defined below).

(b) Second Phase Consideration

Consideration

At the Second Phase Completion (as defined below), Shanghai Hailu shall transfer approximately 10% equity interest in the Target Company to the Purchaser at the Second Phase Consideration, which comprises the base consideration of approximately RMB1,338 million (the "**Second Phase Base Consideration**") (subject to the Performance-based Consideration Adjustment (as defined below)) and the Second Phase Earn Out Amount, the details of which are set out in section (d)(i) below.

Payment arrangements

Subject to the satisfaction or waiver (as the case may be) of the Second Phase Conditions and the Other Conditions and subject to the Performance-based Consideration Adjustment (as defined below) :

(i) the Second Phase Base Consideration and the Second Phase Earn Out Immediate Amount (as defined below) shall be paid in cash by the Purchaser to the designated bank account of Shanghai Hailu at the Second Phase Payment Date (as defined below); and

(ii) the Second Phase Earn Out Deferred Amount (as defined below) shall be settled in cash in accordance with the Deferred Payment Arrangement (as defined below).

(c) Third Phase Consideration

Consideration

At the Third Phase Completion (as defined below), the Vendors shall transfer or shall procure the transfer of an aggregate of approximately 10% equity interest in the Target Company to the Third Phase Purchasers at the Third Phase Consideration (subject to the Performance-based Consideration Adjustment (as defined below)), which comprises:

(i) the base consideration (the "**Third Phase Base Consideration**"), which shall be determined based on the following formula and such amount shall not be more than approximately RMB1,439 million:

Third Phase Base Consideration	=	*Pricing Net Profit for FY2025 x P/E Ratio x Transfer Percentage*

in which

Pricing Net Profit for FY2025	=	the lower of (i) the Actual Adjusted Net Profit for FY2025 or (ii) the Target Adjusted Net Profit for FY2025 (being approximately RMB959 million). The Target Adjusted Net Profit is the target of adjusted net profit attributable to owners of the Target Company for the relevant year, and was determined by the parties after arms' length negotiation and based on normal commercial terms. The Target Adjusted Net Profit for FY2023 was set at RMB830 million based on the net profit for FY2022 (being RMB848 million) and adjusted with an amount which is mutually agreed by the parties after arms' length negotiation. The Target Adjusted Net Profit for FY2024

		and FY2025 (being approximately RMB892 million and approximately RMB959 million, respectively) were determined based on the Target Adjusted Net Profit for the previous year and the expected annual growth rate of 7.5% (the "**Expected Growth Rate**"). The Expected Growth Rate was determined after considering various factors, including (i) the historical profit trend of the Target Group in the past three years, (ii) the historical and expected industry growth rate, which was and is expected to be around 5–10%, and (iii) the market position of the Target Group.
P/E Ratio	=	15 (the "**P/E Ratio**"), which was determined with reference to the range of price-to-equity ratio (i.e. the market capitalization as of September 30, 2024 to the latest trailing twelve-month net profit) of comparable companies in the logistics industry, including but not limited to S.F. Holding Co., Ltd. (stock code: 6936.HK and 002352.SZ) and ANE (Cayman) Inc. (stock code: 9956.HK).
Transfer Percentage	=	10%, which may subject to adjustments under the Equity Transfer Agreement.

(ii) the Third Phase Earn Out Amount, the details of which are set out in section (d)(ii) below.

Pursuant to the Equity Transfer Agreement, at the reasonable request of the Guarantors and the Third Phase Vendors, the Guarantors and the Third Phase Vendors (on the one hand), and the Purchaser and the Third Phase Purchasers (on the other hand) shall use their reasonable endeavours to adjust the structure of the Third Phase Acquisition (the "**Proposed Structural Adjustment**") and shall complete the Proposed Structural Adjustment on or before April 30, 2026. Such adjustments include but are not limited to the reorganization of the Third Phase Vendors, and are subject to the feasibility of the adjustment plan and the applicable rules and regulations. If there are any material changes to the terms of the Third Phase Acquisition as a result of the Proposed Structural Adjustment, the Company shall re-comply with the applicable Listing Rules at the relevant times.

Payment arrangements

Upon the satisfaction or waiver (as the case may be) of the Third Phase Conditions and the Other Conditions and subject to the Performance-based Consideration Adjustment (as defined below):

(i) for the Third Phase Base Consideration and the Third Phase Earn Out Immediate Amount (as defined below):

(1) if the Proposed Structural Adjustment has been completed on or before April 30, 2026 and the Third Phase Condition (xi) (as set out below) has been satisfied, and provided that all other Third Phase Conditions and the Other Conditions having been satisfied or waived (as the case may be), the Third Phase Vendors and the Third Phase Purchasers may proceed to the Third Phase Completion (as defined below). At the Third Phase Completion (as defined below), the Third Phase Purchasers shall pay RMB220 million (or the equivalent amount in foreign currencies, the "**Immediate Payment**") as part of the Third Phase Base Consideration. The remainder of the Third Phase Base Consideration and the Third Phase Earn Out Immediate Amount (as defined below) shall be settled by the Third Phase Purchasers in the following manner:

(I) by issuing consideration Shares. The issue price of such Shares shall be mutually agreed by the Third Phase Purchasers and the Third Phase Vendors based on the market capitalization of the Company and the market condition of the 10 trading days prior to the satisfaction or waiver by the Third Phase Purchasers (as the case may be) of the Third Phase Conditions and the Other Conditions. Such issuance of consideration Shares shall be subject to the Proposed Structural Adjustment and the requirements under the applicable Listing Rules for the issuance of Shares (including but not limited to obtaining Shareholders' approval by the Company for the issuance of Shares and applying to the Stock Exchange for the listing of and permission to deal in the consideration Shares); or

(II) by cash. The Third Phase Purchasers shall at the Third Phase Payment Date (as defined below) pay 80% of the Third Phase Base Consideration (excluding the Immediate Payment) and 80% of the Third Phase Earn Out Immediate Amount (as defined below, if applicable) to the relevant Third Phase Vendors, and within 90 trading days after such cash settlement (or any other date as agreed by the Purchaser and the Founders), each of the relevant Third Phase Vendors shall use such proceeds to acquire Shares in accordance with the arrangement as set out in the Third Phase Condition (xi)(3) (or any other arrangements as mutually agreed by the Purchaser and the Founders) and shall ensure that all such Shares are subject to the Lock-up Arrangements (as defined below). Within 10 business days after the completion of the aforementioned, the Third Phase Purchasers shall pay 20% of the Third Phase Base Consideration (excluding the Immediate Payment) and 20% of the Third Phase Earn Out Immediate Amount (as defined below) to the relevant Third Phase Vendors. Within 90 trading days after the said cash settlement (or any other date as agreed by the Purchaser and the Founders), each of the relevant Third Phase Vendors shall use such proceeds to acquire further Shares in accordance with the same arrangement as set out above which shall also be subject to the Lock-up Arrangements (as defined below).

(2) if the Proposed Structural Adjustment cannot be completed, or any one of the Third Phase Conditions (xi) (1) to (5) cannot be satisfied, on or before April 30, 2026 (provided that all other Third Phase Conditions and the Other Conditions having been satisfied or waived (as the case may be)), the Third Phase Purchasers and the Third Phase Vendors may proceed to the Third Phase Completion (as defined below). At the Third Phase Payment Date (as defined below), the Third Phase Purchasers shall settle the said consideration by cash.

(ii) the Third Phase Earn Out Deferred Amount (as defined below) shall be settled in accordance with the Deferred Payment Arrangement (as defined below).

For the avoidance of doubt, (i) if the Third Phase Purchasers elect to satisfy the Third Phase Base Consideration (other than the Immediate Payment) and the Third Phase Earn Out Immediate Amount (as defined below) by issuing consideration Shares, the Company shall re-comply with the applicable Listing Rules at the relevant time, including but not limited to obtaining Shareholders' approval by the Company for the issuance of Shares and applying to the Stock Exchange for the listing of and permission to deal in the consideration Shares; (ii) all acquisition of Shares by the Third Phase Vendors shall be in compliance with the applicable rules and regulations (including but not limited to the Listing Rules and the SFO); and (iii) the relevant Third Phase Vendors agreed that subsequent to each acquisition of Shares, the Third Phase Vendors shall undertake not to dispose of any Shares from the date of each acquisition up to April 30, 2029 (the "**Lock-up Arrangements**").

The Third Phase Guarantors and the Purchaser shall procure (A) the issuance of the audited consolidated financial statements of the Target Group for FY2027 with an unqualified opinion issued by a qualified accounting firm, and (B) at the request of the Purchaser, the issuance of the transaction-specific audit report of the Target Group (the "**Transaction Audit Report**") for FY2023 to FY2027 by the relevant professional advisers on or before April 30, 2028. Assessment will be made as to whether there are any outstanding compensation claims against the Guarantors and the Third Phase Guarantors as of April 30, 2029. The Third Phase Purchasers shall then release the JDL Share Pledge (as defined below) (if the above payment arrangement as set out in (i)(1)(I) is met) or settle the Third Phase Base Consideration and the Third Phase Earn Out Immediate Amount (as defined below) in cash (if the above payment arrangement as set out in (i)(1)(II) is met), in full or for a portion of it (as the case may be), based on the results of the assessment. For the avoidance of doubt, the JDL Share Pledge (as defined below), and the Third Phase Base Consideration and the Third Phase Earn Out Immediate Amount (as defined below) shall be fully released or settled in cash when there are no outstanding compensation claims, and such full release or settlement shall occur no later than September 30, 2029.

(d) Earn Out Amounts

The parties to the Equity Transfer Agreement have agreed that if the Target Company meets the following performance targets, the relevant Vendors shall be entitled to the Earn Out Amounts determined based on the following arrangements, and in any event, the aggregate amount of such Earn Out Amounts shall not be more than RMB1,393 million:

(i) Second Phase Earn Out Amount

If the Actual Adjusted Net Profit for FY2024 (the "**FY2024 Actual Adjusted Net Profit**") is higher than the Target Adjusted Net Profit for FY2024, and the ratio of non-operating income (including but not limited to the income generated from the disposal of assets) to the revenue of the Target Company (the "**Non-operating Income Ratio**") for FY2024 is not higher than the average Non-operating Income Ratios for FY2021 to FY2023 (the "**Average Non-operating Income Ratio**"), Shanghai Hailu shall be entitled to an amount equivalent to:

Second Phase Earn Out Amount	=	*(FY2024 Actual Adjusted Net Profit – Target Adjusted Net Profit for FY2024) x 50%*

in which

Target Adjusted Net Profit for FY2024	=	RMB892 million, which was determined with reference to the Target Adjusted Net Profit for FY2023 (being RMB830 million) and the Expected Growth Rate, details of which are set out above.
50%	=	the parties have agreed after arms' length negotiation that if the FY2024 Actual Adjusted Net Profit exceeds the Target Adjusted Net Profit for FY2024, Shanghai Hailu shall be entitled to 50% of the said additional amount. In determining such proportion, the parties have considered (i) the overall consideration and profit sharing model for similar merger and acquisition cases of the same industry in the market, and (ii) the business prospects and expected performance of the Target Group.

For the avoidance of doubt, if the Non-operating Income Ratio for FY2024 exceeds the Average Non-operating Income Ratio, the excess amount shall be deducted from the FY2024 Actual Adjusted Net Profit as determined by the above formula.

The Second Phase Earn Out Amount shall be settled in the following manner:

(1) if the Second Phase Earn Out Amount is:

(I) more than RMB100 million, RMB100 million shall be paid by the Purchaser to Shanghai Hailu together with the Second Phase Base Consideration at the Second Phase Payment Date (as defined below), and the remaining amount (the "**Second Phase Earn Out Deferred Amount**") shall be settled in accordance with the Deferred Payment Arrangement (as defined below); or

(II) less than RMB100 million, the entire Second Phase Earn Out Amount shall be paid by the Purchaser to Shanghai Hailu together with the Second Phase Base Consideration at the Second Phase Payment Date (as defined below); and

(2) if the Accumulated Deferred Amount (including the Second Phase Earn Out Deferred Amount) amounts to or exceeds RMB500 million, the amount exceeding RMB500 million (together with the immediate payments at the Second Phase Payment Date (as defined below) under (1)(I) or (II) above, referred to as the "**Second Phase Earn Out Immediate Amount**") shall be paid by the Purchaser to Shanghai Hailu together with the Second Phase Base Consideration at the Second Phase Payment Date (as defined below).

(ii) Third Phase Earn Out Amount

If the Actual Adjusted Net Profit for FY2025 ("**FY2025 Actual Adjusted Net Profit**") is higher than the Target Adjusted Net Profit for FY2025 and the Non-operating Income Ratio for FY2025 is not higher than the Average Non-operating Income Ratio, the Third Phase Vendors shall be entitled to an amount equivalent to:

Third Phase Earn Out Amount = *FY2025 Additional Profit x 50%*

in which

FY2025 Additional Profit = *FY2025 Actual Adjusted Net Profit – Target Adjusted Net Profit for FY2025*

The Target Adjusted Net Profit for FY2025 is RMB959 million, which was determined with reference to the Target Adjusted Net Profit for FY2024 (being approximately RMB892 million) and the Expected Growth Rate, details of which are set out above.

Alternatively, in the event where Mr. Hu is terminated from his position as the general manager of the Target Company without cause on or before December 31, 2025 (the "**Termination**"), the FY2025 Additional Profit shall be determined as follows:

Actual Adjusted Net Profit from January 1, 2025 up to the date of the Termination – Target Adjusted Net Profit for FY2025 (being approximately RMB959 million)

50%	=	the parties have agreed after arms' length negotiation that if the FY2025 Actual Adjusted Net Profit exceeds the Target Adjusted Net Profit for FY2025, the Vendors shall be entitled to 50% of the said additional amount, details of which are as set out above.

The Third Phase Earn Out Amount shall be settled in the following manner:

(1) if the Third Phase Earn Out Amount is:

(I) more than RMB100 million, RMB100 million shall be paid by the Third Phase Purchasers to the Third Phase Vendors together with the Third Phase Base Consideration at the Third Phase Payment Date (as defined below), and the remaining amount (the "**Third Phase Earn Out Deferred Amount**") shall be settled in accordance with the Deferred Payment Arrangement (as defined below); or

(II) less than RMB100 million, the entire Third Phase Earn Out Amount shall be paid by the Third Phase Purchasers to the Third Phase Vendors together with the Third Phase Base Consideration (other than the Immediate Payment) at the Third Phase Payment Date (as defined below); and

(2) if the Accumulated Deferred Amount (including the Third Phase Earn Out Deferred Amount) amounts to or exceeds RMB500 million, the amount exceeding RMB500 million (together with the immediate payments under (1)(I) or (II) above, referred to as the "**Third Phase Earn Out Immediate Amount**") shall be paid by the Third Phase Purchasers to the Third Phase Vendors together with the Third Phase Base Consideration (other than the Immediate Payment) at the Third Phase Payment Date (as defined below).

For the avoidance of doubt, if the Non-operating Income Ratio for FY2025 exceeds the Average Non-operating Income Ratio, the excess amount shall be deducted from FY2025 Actual Adjusted Net Profit as determined by the above formula.

The maximum Earn Out Amounts of RMB1,393 million was determined with reference to the above formulae based on the forecasted net profit of the Target Group of approximately RMB2,149 million and approximately RMB2,351 million for FY2024 and FY2025, respectively. Such net profit forecast of the Target Group was determined with reference to, among other things, (a) the historical operating results and the expected revenue growth of the Target Group, the broadening of customer base and improved customer retention, (b) the stable historical and expected gross profit margin of the Target Company, resulted from the improved operational efficiency from logistics facilities upgrades and optimization and the reduction in operating costs, etc., and (c) the economies of scale resulting from the stringent expense control of the Target Company.

(e) Deferred Payment Arrangement

As a guarantee for the performance of the Vendors' and the Third Phase Vendors' obligations under each transaction document of the Acquisition, the Purchaser and/or the Third Phase Purchasers (as the case may be) shall withhold the Total Deferred Payment (the "**Deferred Payment Arrangement**"), and the Accumulated Deferred Amount shall be maintained at RMB500 million in the following manner:

If the Accumulated Deferred Amount amounts to or exceeds RMB500 million, the Total Deferred Payment generated in a particular year shall be paid by the Purchaser and/or the Third Phase Purchasers (as the case may be) to the Vendors and/or the Third Phase Vendors (as the case may be) in accordance with the payment arrangements as set out in the paragraph headed "*Total Consideration and payment arrangements — (d) Earn Out Amounts*" above. For the avoidance of doubt, if the balance of the Accumulated Deferred Amount falls below RMB500 million after certain payments, the Purchaser and/or the Third Phase Purchasers shall withhold the Total Deferred Payment generated that year until the Accumulated Deferred Amount amounts to and is maintained at RMB500 million or above.

Provided that the audited consolidated financial statements of the Target Company for FY2027 with an unqualified opinion issued by a qualified accounting firm and the Transaction Audit Report for FY2023 to FY2027 are issued on or before April 30, 2028, the remaining balance of the Accumulated Deferred Amount (after deducting the unpaid compensation amount of the Guarantors as of June 30, 2029) shall be paid to the respective Vendors and/or the Third Phase Vendors (as the case may be) in accordance with the arrangement as set out in the Equity Transfer Agreement.

(f) Performance-based Consideration Adjustment

The Founders and the Vendors shall jointly and severally make compensation to the Purchaser and/or the Third Phase Purchasers (as the case may be) in respect of the consideration for each phase under the Equity Transfer Agreement if certain performance targets in the relevant Performance Period (as defined below) as set out below are not met (the "**Performance-based Consideration Adjustment**").

For each phase of the Acquisition, the period for which the Performance-based Consideration Adjustment applies (the "**Performance Period**") starts from January 1 of the relevant Year T (specified below) and ends on December 31 of Year T+2.

In respect of the First Phase Acquisition, the Second Phase Acquisition and the Third Phase Acquisition, Year T is FY2023, FY2024 and FY2025, respectively. As such, the Performance Period for the First Phase Acquisition, the Second Phase Acquisition and the Third Phase Acquisition is from (i) January 1, 2023 to December 31, 2025, (ii) January 1, 2024 to December 31, 2026, and (iii) January 1, 2025 to December 31, 2027, respectively.

The Performance-based Consideration Adjustment shall be the highest of the following:

(i) *Compensation in respect of net profit*

If the average Actual Adjusted Net Profit of the three years in the relevant Performance Period is lower than the Pricing Net Profit in Year T of the relevant Performance Period, the Founders and the Vendors shall jointly and severally make the following compensation to the Purchaser and/or the Third Phase Purchasers (as the case may be) within 15 business days after the auditor's report of the Target Company for Year T+2 is issued:

Compensation	=	*(Pricing Net Profit in Year T – average Actual Adjusted Net Profit of the three years in the relevant Performance Period) x P/E Ratio (i.e. 15) x Transfer Percentage*

in which

Pricing Net Profit	=	if Year T is FY2023 or FY2024, the Pricing Net Profit shall be the Target Adjusted Net Profit for FY2023 (being approximately RMB830 million) or the Target Adjusted Net Profit for FY2024 (being approximately RMB892 million), respectively. For other years, the Pricing Net Profit shall be the lower of the Actual Adjusted Net Profit or the Target Adjusted Net Profit for the relevant year.
Transfer Percentage	=	the percentage of equity interest subject to each phase of the Acquisition immediately before the First Phase Completion (as defined below).

(ii) Compensation in respect of revenue

If the revenue of the Target Company in any year of the relevant Performance Period does not increase by 5% or more as compared to that of the previous year, the Founders and the Vendors shall jointly and severally make the following compensation to the Purchaser and/or the Third Phase Purchasers (as the case may be):

Compensation	=	*Shortfall in the Revenue Growth x Relevant PS x Transfer Percentage*

in which

Shortfall in the Revenue Growth	=	(revenue in the previous year x 105%) – actual revenue in the relevant year in the Performance Period
Relevant PS	=	for Year T: the Relevant PS = Base value of the subject equity interest in the Target Company for the Year T (the "**Base Share Value**") ÷ revenue in Year T for Year T+1: the Relevant PS = the Relevant PS in Year T ÷ 1.05 for Year T+2: the Relevant PS = the Relevant PS in Year T +1 ÷ 1.05 The Base Share Value for FY2023 and FY2024 is approximately RMB12,450 million and approximately RMB13,384 million, respectively. The Base Share Value for FY2025 shall be determined based on the Pricing Net Profit for FY2025 x P/E Ratio (i.e. 15).
Transfer Percentage	=	the percentage of equity interest subject to each phase of the Acquisition immediately before the First Phase Completion (as defined below).

(iii) Compensation in respect of net operating cashflow

If the Adjusted Net Operating Cashflow in any year of the Performance Period is not more than 1.2 times of the Actual Net Profit in the same year, the Founders and the Vendors shall jointly and severally make the following compensation to the Purchaser and/or the Third Phase Purchasers (as the case may be):

Compensation	=	*Actual Net Profit in the relevant year of the Performance Period x 1.2 – Adjusted Net Operating Cashflow in the same year*

Payment arrangements of the compensation

The Founders and the Vendors shall jointly and severally pay the compensation in respect of revenue and/or net operating cashflow to the Purchaser and/or the Third Phase Purchasers (as the case may be) within 15 business days after the auditor's report of the Target Company and the Transaction Audit Report (if applicable) for the relevant year in the Performance Period are issued. Such compensation shall be the higher of the amounts calculated under (ii) and (iii) above in respect of the relevant year in the Performance Period. For the avoidance of doubt, (a) if no compensation mechanism is triggered in the relevant year, the relevant compensation amount for that year shall be zero, and (b) the compensation in respect of net profit (i.e. (i) above) shall be settled after the end of the relevant Performance Period as described below.

The parties shall perform final calculations pursuant to the above formulae with respect to the whole Performance Period after the auditor's report of the Target Company and the Transaction Audit Report (if applicable) for Year T+2 are issued and determine the highest of the compensation under (i), (ii) and (iii) above in each year of the relevant Performance Period, and the aggregate of such highest compensation in each of the three years of the Performance Period shall be the total compensation amount (the "**Total Compensation**") to be made by the Founders and the Vendors jointly and severally to the Purchaser and/or the Third Phase Purchasers (as the case may be) under the Performance-based Consideration Adjustment.

The Founders and the Vendors shall jointly and severally pay the final compensation to the Purchaser and/or the Third Phase Purchasers (as the case may be) within 15 business days after the auditor's report of the Target Company for Year T+2 is issued as follows:

Final compensation = *Total Compensation – compensation already paid in the first two years of the Performance Period*

For the avoidance of doubt, if the above compensation is determined prior to the payment of the base consideration for each phase of the Acquisition, the compensation amount shall be offset against the relevant base consideration.

Basis of the Total Consideration and the Performance-based Consideration Adjustment

The Total Consideration together with the Performance-based Consideration Adjustment were determined after arms' length negotiation between the parties to the Equity Transfer Agreement and based on normal commercial terms. Given that the Target Group has established sufficiently long profitable track record in the past few years, when considering the Acquisition and determining the Total Consideration (and the Performance-based Consideration Adjustment), the parties have taken into account (i) the unaudited net asset value of the Target Company as at December 31, 2023 amounting to approximately RMB5,299 million, (ii) the valuation of approximately 36.43% equity interest in the Target Company of approximately RMB6,493 million as at the Valuation Date as appraised by the Valuer by way of discounted cash flow method of the income approach (the details of which are disclosed in the section headed "*Valuation of the Target Company*" below), (iii) the historical operating performance of the Target Group, including the historical revenue, net profit, cost of revenue and operating expenses for FY2022, FY2023 and the nine months ended September 30, 2023 and September 30, 2024, respectively, (iv) the financial forecast and business plans of the Target Group for FY2024 to FY2029, (v) other factors as set out above, including but not limited to the P/E Ratio and the Expected Growth Rate, and (vi) other factors as set out in the paragraph headed "*Reasons for and Benefits of the Acquisition*" in this announcement.

Further, as Mr. Hu will continue to manage and operate the Target Group and the Total Consideration is partly determined with reference to estimated future performance level of the Target Group on the assumption that the Target Group will maintain or out-perform its historical performance level, the parties have agreed to the Performance-based Consideration Adjustment, pursuant to which, the Founders and the Vendors shall compensate the Purchaser and/or the Third Phase Purchasers (as the case may be) in the event where the Target Group fails to meet certain performance targets in terms of net profit, revenue and net operating cashflow during the Performance Period as set out above. When determining such performance targets, the Company has taken into account, among other things, the historical operating results of the Target Group, the Expected Growth Rate and the forecasted model of the Target Group. The Board believes that such mechanism will ensure that the Company will be compensated if the Target Group is unable to maintain its historical performance and it is in the interest of the Company and its Shareholders as a whole.

Taking into account that (i) the Total Consideration will be calculated based on the formula disclosed above with reference to actual performance level of the Target Group in the relevant financial years and paid in several tranches, the maximum Total Consideration only represents the maximum possible amount of consideration for the Acquisition, and the Performance-based Consideration Adjustment may further lower the amount of consideration to be paid to the Vendors in the end for each phase of the Acquisition if the Target Group fails to meet the relevant performance targets, and (ii) the maximum Total Consideration of approximately RMB6,484 million is lower than the estimated market value of approximately RMB6,493 million of the approximately 36.43% equity interest in the Target Company as set out in the Valuation Report, the Directors (save and except that the views of the independent non-executive Directors representing the Independent Board Committee shall be set out in the circular) are of the view that the Total Consideration is fair and reasonable.

Conditions precedent

(a) First Phase Acquisition

The First Phase Completion (as defined below) is conditional upon the following conditions having been satisfied, or waived by the Purchaser:

(i) as at the First Phase Completion (as defined below), each of the representations and warranties of the Guarantors contained in the Equity Transfer Agreement being and remaining true, accurate and not misleading, and there being no omission of material facts;

(ii) each of the Guarantors having performed and complied with all of their respective obligations and conditions under the transaction documents on or before the First Phase Completion (as defined below);

(iii) the Target Company having obtained approvals from its shareholders and board of directors in relation to (1) the Acquisition and the relevant transaction documents, and (2) the first amendment to the articles of association of the Target Company that is satisfactory to the Purchaser;

(iv) Ningbo Hairui, Ningbo Kuahang, Ningbo Qiaohao, the Target Company, the Founders and the Purchaser having entered into the Share Pledge Agreement, pursuant to which, Ms. Xu, Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao shall pledge an aggregate of 6% equity interest in the Target Company in favour of the Purchaser to guarantee the performance of the Vendors' obligations under the Acquisition and having completed the relevant registration in connection thereto;

(v) Ningbo Hairui, Ningbo Kuahang, Ningbo Qiaohao, the Target Company, the Founders and the Purchaser having entered into the Exclusive Purchase Option Agreement, pursuant to which, the Purchaser shall have the right to cause Ms. Xu, Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao to sell an aggregate of 6% equity interest in the Target Company to the Purchaser in the event where the Founders are required to compensate or indemnify the Purchaser under the relevant transaction documents;

(vi) the auditor's report with an unqualified opinion for FY2023 of the Target Company having been issued by a qualified accounting firm;

(vii) the Purchaser having completed its due diligence investigation against the Target Group;

(viii) the Purchaser having obtained the necessary internal approval for the Acquisition (including the necessary approval from the Company and JD.com); and

(ix) the Target Group having informed the relevant banks and obtained consents from certain banks in relation to the Acquisition.

(b) Second Phase Acquisition

The Second Phase Completion (as defined below) is conditional upon the following conditions having been satisfied, or waived by the Purchaser:

(i) as at the Second Phase Completion (as defined below), each of the representations and warranties of the Guarantors contained in the Equity Transfer Agreement being and remaining true, accurate and not misleading, and there being no omission of material facts;

(ii) each of the Guarantors having performed and complied with all obligations and conditions under the transaction documents which are required to be performed or complained with them on or before the Second Phase Completion (as defined below);

(iii) the First Phase Completion (as defined below) having been completed;

(iv) the auditor's report with an unqualified opinion for FY2024 of the Target Company and the Transaction Audit Report as of December 31, 2024 having been issued by a qualified accounting firm and relevant professional advisers respectively;

(v) there being no unsettled claims or disputes (the amount of which exceeds RMB50 million) between the Guarantors and the Purchaser, and all claims and compensation by the Purchaser having been fully paid and settled;

(vi) the Target Company having obtained approvals from its shareholders and board of directors in relation to (1) the second amendment to the articles of association of the Target Company that is satisfactory to the Purchaser, and (2) the changes in the board of director of the Target Company (if needed); and

(vii) (1) the First Phase Conditions that were not satisfied on or before the First Phase Completion (as defined below) and had been waived by the Purchaser and (2) the relevant documents that were to be delivered at or before the First Phase Completion (as defined below), having been satisfied and delivered.

(c) Third Phase Acquisition

The Third Phase Completion (as defined below) is conditional upon the following conditions having been satisfied, or waived by the Third Phase Purchasers:

(i) the relevant entities involved in the Proposed Structural Adjustment having entered into the relevant transaction documents for the Third Phase Completion (as defined below) and such documents remaining effective as at the Third Phase Completion (as defined below);

(ii) as at the Third Phase Completion (as defined below), each of the representations and warranties of the Third Phase Guarantors contained in the Equity Transfer Agreement being and remaining true, accurate and not misleading, and there being no omission of material facts;

(iii) each of the Third Phase Guarantors having performed and complied with all its obligations and conditions under the transaction documents on or before the Third Phase Completion (as defined below) and there having been no material breach by the Third Phase Guarantors under the relevant transaction documents for the Third Phase Completion (as defined below);

(iv) the First Phase Completion (as defined below) and the Second Phase Completion (as defined below) having been completed;

(v) the auditor's report with an unqualified opinion for FY2025 of the Target Company and the Transaction Audit Report as of December 31, 2025 having been issued by a qualified accounting firm and relevant professional advisers respectively;

(vi) there being no unsettled claims or disputes (the amount of which exceeds RMB50 million) between the Third Phase Guarantors, and the Third Phase Purchasers, and all claims and compensation by the Purchaser having been fully paid and settled;

(vii) the Target Company having obtained approvals from its shareholders and board of directors in relation to the third amendment to the articles of association of the Target Company that is satisfactory to the Purchaser;

(viii) for (1) the First Phase Conditions that were not satisfied on or before the First Phase Completion and had been waived by the Purchaser and (2) the relevant documents that were to be delivered at the First Phase Completion (as defined below), having been satisfied and delivered;

(ix) (1) the Second Phase Conditions that were not satisfied on or before the Second Phase Completion and had been waived by the Purchaser and (2) the relevant documents that were to be delivered at the Second Phase Completion (as defined below), having been satisfied and delivered;

(x) the relevant tax filing and payments related to the Third Phase Acquisition for the individual Third Phase Vendors having been completed and relevant proof having been obtained;

(xi) if the Third Phase Consideration is being satisfied by the issuance of consideration Shares or any assets outside of the PRC:

   (1) the Proposed Structural Adjustment having been unanimously agreed by the parties to the Third Phase Acquisition and having been approved by the Company (including the approval from the Board and Shareholders and the board of directors of JD.com (if applicable));

   (2) the relevant entities involved in the Proposed Structural Adjustment having entered into a supplemental agreement to the Equity Transfer Agreement or any other agreements to the satisfaction of all parties to the Equity Transfer Agreement, stating the details of the Proposed Structural Adjustment;

(3) the relevant parties having agreed and completed the arrangement in relation to the JDL Share Pledge (as defined below) and Lock-up Arrangements, and if the parties elect to satisfy the Third Phase Consideration by way of cash, all relevant parties having unanimously agreed on the mechanism to be adopted to acquire the Shares by the Third Phase Purchasers in relation to the Third Phase Acquisition;

(4) the Proposed Structural Adjustment having been completed;

(5) if the Third Phase Consideration is being satisfied by the issuance of consideration Shares, the procedures required under the Listing Rules for the Third Phase Acquisition (including but not limited issuance of a circular (if required), obtaining approval from Shareholders and listing approval from the Stock Exchange) having been completed; and

(xii) other conditions precedent as required for the payment or satisfaction of the Third Phase Consideration having been satisfied.

(d) Other Conditions

The Purchaser's other conditions precedent

Notwithstanding the conditions set out above, the completion of each phase of the Acquisition under the Equity Transfer Agreement is conditional upon the fulfilment or waiver by the Purchaser and/or the Third Phase Purchasers (as the case may be) of the following conditions precedent:

(i) on or prior to the date of each completion under the Equity Transfer Agreement, all the relevant transaction documents in relation to each phase of the Acquisition having been duly signed by the relevant parties (not including the Purchaser and its associates) and remaining effective on the date of each relevant completion;

(ii) each of the Guarantors and/or the Third Phase Guarantors (as the case may be) and members of the Target Group having duly signed the relevant transaction documents for each phase of the Acquisition, and having obtained all the internal and government approvals for such completion;

(iii) there having been no restrictions, prohibitions or cancellation of the respective phase of the Acquisition under applicable law or by relevant authorities;

(iv) there having been no material adverse change to the Target Group;

(v) the relevant share pledge having been released and the relevant Vendors and the Target Company having completed the business registration in relation to the transfer of equity interest at the respective phase of Acquisition; and

(vi) the Acquisition and the relevant transaction documents being in compliance with applicable Listing Rules, including but not limited to issuing announcement and circular, and obtaining the approval of the Independent Shareholders at the EGM.

The Vendors' other conditions precedent

Notwithstanding the conditions set out above, the completion of each phase of the Acquisition under the Equity Transfer Agreement is conditional upon the fulfilment or waiver by the Vendors and/or the Third Phase Vendors (as the case may be) of the following conditions precedent:

(i) the Purchaser having guaranteed that the representation and warranties as stated in the Equity Transfer Agreement are and remain true, accurate and not misleading;

(ii) there having been no restrictions, prohibitions or cancellation of the respective phase of the Acquisition under applicable law or by relevant authorities;

(iii) the Purchaser having performed and complied with all its obligations and conditions under the transaction documents on or before the completion of each phase of the Acquisition;

(iv) on or prior to the date of each completion under the Equity Transfer Agreement, all the relevant transaction documents in relation to each phase of the Acquisition having been duly signed by the relevant parties (not including the Vendors and/or the Third Phase Vendors) and remaining effective on the date of each relevant completion; and

(v) the Acquisition and the relevant transaction documents being in compliance with applicable Listing Rules, including but not limited to issuing the announcement and the circular, and obtaining the approval of the Independent Shareholders at the EGM.

Completion

Completion for each phase of the Acquisition shall take place within 10 business days or on any other date(s) as mutually agreed by the Purchaser and the Founders after the respective conditions precedent having been fulfilled or waived (as the case may be) (each a "**Completion Date**", and the Completion Date for the First Phase Acquisition, the Second Phase Acquisition and the Third Phase Acquisition are referred to as the "**First Phase Completion**", the "**Second Phase Completion**" and the "**Third Phase Completion**", respectively).

For the Second Phase Acquisition and the Third Phase Acquisition, upon the satisfaction of the Guarantors' and/or the Third Phase Guarantors' relevant obligations for the Second Phase Completion and the Third Phase Completion (as the case may be) as provided under the Equity Transfer Agreement (including but not limited to the delivery of completion documents), the Purchaser and/or the Third Phase Purchasers (as the case may be) may elect to make payment for the relevant consideration for the respective phase of the Acquisition at each Completion Date or a later date as otherwise elected by the Purchaser and/or the Third Phase Purchasers (as the case may be) (each a "**Payment Date**", and the Payment Date for the Second Phase Acquisition and the Third Phase Acquisition are referred to as the "**Second Phase Payment Date**" and the "**Third Phase Payment Date**", respectively), provided that (i) the respective Payment Date (as defined below) shall not be later than the long stop date(s) for each phase of the Acquisition as set out below, and (ii) save for the payments to be deferred or withheld in accordance with the arrangements as set out in the Equity Transfer Agreement (other than the aforementioned election of the Payment Date by the Purchaser and/or the Third Phase Purchasers), including but not limited to the payment arrangement for the Third Phase Consideration set out in (2) above, the Purchaser and/or the Third Phase Purchasers shall pay the relevant cost of funds in accordance with the applicable bank deposit interest rate during the period between the Completion Date and a later date as elected by the Purchaser and/or the Third Phase Purchasers. In any event, the Second Phase Payment Date shall not be later than June 30, 2026, and the Third Phase Payment Date shall not be later than June 30, 2027 (if the above payment arrangement for the Third Phase Consideration set out in (i)(1)(I) is met) or the tenth business day after April 30, 2029 (if the above payment arrangement for the Third Phase Consideration set out in (i)(1)(II) is met).

After the First Phase Completion, the shareholding structure of the Target Company will be as follows:

	Shareholders	**Approximate equity interest in the Target Company**
(a)	The Purchaser	80%
(b)	Mr. Hu	0.60%
(c)	Ms. Xu	2.42%
(d)	Shanghai Hailu	12.31%
(e)	Ningbo Hairui	0.67%
(f)	Ningbo Kuahang	1.99%
(g)	Ningbo Qiaohao	1.99%
	Total	**100%**

After the Second Phase Completion, the shareholding structure of the Target Company will be as follows:

	Shareholders	**Approximate equity interest in the Target Company**
(a)	The Purchaser	90%
(b)	Mr. Hu	0.60%
(c)	Ms. Xu	2.42%
(d)	Shanghai Hailu	2.31%
(e)	Ningbo Hairui	0.67%
(f)	Ningbo Kuahang	1.99%
(g)	Ningbo Qiaohao	1.99%
	Total	**100%**

After the Third Phase Completion, the Group will hold 100% equity interest in the Target Company.

Share Pledges

Prior to the First Phase Completion, Ms. Xu, Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao shall pledge an aggregate of 6% equity interest in the Target Company they hold at the time of the First Phase Completion (the "**Pledged Interest**") in favour of the Purchaser as security for the performance of the Vendors' obligations under the Equity Transfer Agreement pursuant to the Share Pledge Agreement and complete the relevant registration procedures of such pledge under PRC law.

The parties further agreed that as part of the Third Phase Acquisition (in which the Pledged Interest shall be transferred to the Group, which necessitates the release of the abovementioned pledge), upon the Third Phase Vendors acquiring the Shares, the relevant Third Phase Vendors shall pledge such number of Shares (the "**JDL Share Pledge**") that are equivalent in monetary value of the approximately 5% equity interest in the Target Company in favour of the Third Phase Purchasers as security for the performance of the Vendors' obligations under the Equity Transfer Agreement.

Exclusive Purchase Option

Pursuant to the Exclusive Purchase Option Agreement to be entered into between Ningbo Hairui, Ningbo Kuahang, Ningbo Qiaohao, the Target Company, the Founders and the Purchaser under the Equity Transfer Agreement, Ms. Xu, Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao shall grant to the Purchaser an exclusive option to purchase up to 6% equity interests in the Target Company they hold at the time of the First Phase Completion at nil consideration (or such higher minimum consideration allowed under the then applicable PRC laws) in the event that the breach of the terms of the Equity Transfer Agreement results in any obligation on the part of the Vendors to use the Pledged Interest to compensate the Purchaser.

Guarantee

The Guarantors and/or the Third Phase Guarantors (as the case may be) unconditionally and irrevocably provide joint liability guarantee to the Purchaser and the Third Phase Purchasers (as the case may be) for the performance of obligations by the Vendors and/or the Third Phase Guarantors (as the case may be) pursuant to the Equity Transfer Agreement.

THE VALUATION OF THE TARGET COMPANY

The Company has engaged the Valuer to conduct an independent valuation of approximately 36.43% equity interest in the Target Company as of the Valuation Date. According to the Valuation Report, the estimated market value of the approximately 36.43% equity interest in the Target Company was approximately RMB6,493 million. In arriving at such valuation, the Valuer has considered the cost approach, the income approach and the market approach, and adopted the income approach as the primary approach to determine the business enterprise value of the Target Company and used the guideline company method under the market approach as secondary approach to counter check the reasonableness of the income approach results. The Valuer was of the view that the Target Company has established sufficiently long profitable track record and hence the visibility of the Target Company's future earnings would be high enough to prepare the financial projection for application of the income approach, and relative to the market approach, the Valuer considered the income approach could better reflect company's own characteristics, including historical and prospective growth pattern and operational strategy of the Target Company in the valuation. Therefore, the income approach was considered an appropriate primary approach for the valuation. Further, the discounted cash flow method of the income approach was used to value the Target Company as this method explicitly recognises that the current value of an investment is premised upon the expected receipt of future economic benefits, such as periodic income, cost savings, or sale proceeds. Details of the Valuation Report, including key inputs, narrative of the discounted cash flow model and the sensitivity analysis, will be set out in the EGM circular to be despatched by the Company.

PROFIT FORECAST

Given that the valuation was prepared using the income approach, through the use of the discounted cash flow method, such valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. The following key assumptions have been adopted in the valuation and as set out in the Valuation Report:

(a) no major changes are expected in the macroeconomic conditions;

(b) the regulatory environment and market conditions for air freight and logistics industry in China will be developing according to prevailing market expectations;

(c) there will be no major changes in the current taxation law applicable to the Target Company;

(d) the availability of finance will not be a constraint on the forecast growth of the Target Company's operations in accordance with its current business plans;

(e) the future movement of exchange rates and interest rates will not differ materially from prevailing market expectations;

(f) the Target Company continues to retain competent management, key personnel and operational staff to support its ongoing operations;

(g) all relevant legal approvals and licenses necessary for the normal course of operations have been obtained and will not be revoked;

(h) it is assumed that the Target Company has an indeterminate life, the value into perpetuity was calculated by applying a perpetuity growth rate of 2.5% per annum to the free cash flow from 2030 and onwards based on the forecasted inflation rate of China;

(i) it is assumed that the discount rate is based on estimated weighted average cost of capital that incorporates the cost of equity and debt, weighted by the proportionate amount of each source of capital structure; and

(j) it is assumed that the Target Company is subject to enterprise income tax rate of 25.0% in the PRC.

Deloitte, being the reporting accountant of the Company, has reviewed and reported to the Directors in respect of the compilation of the discounted cash flows in connection with the valuation of the Valuer. So far as the calculations are concerned, the profit forecast has been properly compiled in all material respects in accordance with the assumptions adopted by the Board as set out in the Valuation Report.

The Directors confirmed that the profit forecast in the valuation of the Valuer has been made after due and careful enquiry. A report in compliance with Rule 14.60A(2) of the Listing Rules and a letter from the Board in compliance with Rule 14.60A(3) of the Listing Rules is included in Appendix I and Appendix II to this announcement, respectively.

Experts

The qualifications of the experts who have given their opinion and advice in this announcement are as follows:

Name	**Qualification**
Deloitte	Certified Public Accountants Registered Public Interest Entity Auditor
Kroll	Independent professional valuer

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its names (including its qualifications) included herein in the form and context in which it is included.

To the best of knowledge, information and belief of the Board and after making all reasonable enquiries, each of the experts is an independent third party of the Group. As at the date of this announcement, none of the experts nor their respective subsidiaries mentioned above held any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the date of this announcement, as far as the Directors are aware, none of the experts nor their respective subsidiaries mentioned above had, or had have, any direct or indirect interest in any material assets which have been acquired since December 31, 2023 (being the date to which the latest published audited consolidated accounts of the Company were made up), or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group.

FINANCIAL INFORMATION OF THE TARGET COMPANY

The Target Company is a company established under the laws of the PRC with limited liability and is principally engaged in logistics services business. The total registered capital of the Target Company is RMB661,271,495.50 as at the date of this announcement. It is a renowned modern integrated express transportation enterprise specialising in less-than truckload (LTL) in the PRC. Prior to the Acquisition, the Company through the Purchaser holds approximately 63.57% equity interest in the Target Company and the Company is now further acquiring the remaining approximately 36.43% equity interest in the Target Company (namely, RMB240,877,309.04 of registered capital in the total registered capital). Hence, the contractual arrangements adopted by the Company in relation to the Target Company shall remain unchanged after the Acquisition. Details of the contractual arrangements are disclosed in the Prospectus.

The following table sets out certain financial information of the Target Company for each of the two financial years ended December 31, 2022 and 2023 which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"):

	FY2022 (unaudited) *RMB'000*	**FY2023 (unaudited)** *RMB'000*
Net profit before tax	1,051,913	1,814,098
Net profit after tax	848,095	1,446,790

As of December 31, 2023, the unaudited total assets and net assets of the Target Company were approximately RMB9,745 million and RMB5,299 million, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a leading technology-driven supply chain solutions and logistics services provider in China and the Target Company is a modern integrated express transportation enterprise specializing in less-than truckload (LTL) in China. The Group acquired a controlling interest of the Target Company in 2020 with a view to further expand the Group's existing freight business, strengthen the Group's capabilities on supply chain solutions and logistics services and increase the Group's customer base particularly in air freight. Such acquisition was in line with the Group's overall strategy for long term growth, productivity and profitability. In 2022, in light of the outstanding performance of the Target Group, the Company further acquired equity interest in the Target Company and as a result, the Company holds approximately 63.57% equity interest in the Target Company prior to the Acquisition.

During the past few years, the Target Group has achieved outstanding performance as demonstrated by the growth rate and net profit margin of the Target Company which have exceeded the industry norm. Given such growth in the Target Group, the Company believes that there is potential in the further expansion of the businesses of the Target Group. The Board (save and except that the views of the independent non-executive Directors representing the Independent Board Committee shall be set out in the circular) is of the view that the Acquisition is beneficial to the overall development of the Group and will be a meaningful step in realising the Group's strategy of creating greater value and also further strengthening the industry position of the Group. Further, the Company is of the view that the Acquisition enables the Group to better integrate its resources, reduce costs and improve the management and operational efficiency of the Group, which will in turn, lead to better economies of scale of the Group. The further acquisition of the remaining approximately 36.43% equity interest in the Target Company also enables the Group to further explore and leverage the synergy between the Target Group and the Group which will be complementary to the Group's existing operation and business layout, to consolidate its existing advantageous position, accelerate the Group's development and improve the Group's overall competitiveness. In addition, the Company considers that the valuation of the Target Company and the Total Consideration are fair and reasonable given the market condition and it is expected that the Target Group will continue to be cash flow and profit-generating after the completion of the Acquisition and thus it will contribute further to the cash flow and financial performance of the Group, benefitting the overall financial performance of the Group.

The Board (save and except that the views of the independent non-executive Directors representing the Independent Board Committee shall be set out in the circular) considers that the terms of the Acquisition are normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Group intends to finance the consideration of the Acquisition by its own funds, financing and/or issuance of consideration Shares.

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. 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 63.3% of the Company's total issued share capital. As of June 30, 2024, Mr. Richard Qiangdong Liu, a non-executive Director, held approximately 71.5% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.

The Purchaser is a company established under the laws of the PRC with limited liability and is engaged in investment and consulting services business. It is a wholly-owned consolidated affiliated entity of the Company.

The Vendors

Mr. Hu is a natural person in the PRC. Mr. Hu is a director and the general manager of the Target Company.

Ms. Xu is a natural person in the PRC. She is a director of the Target Company and the spouse of Mr. Hu.

Shanghai Hailu is a limited partnership entity established under the laws of the PRC and its general partner is Shanghai Hongqiaoxin Corporate Management Consultancy Limited (上海宏僑信企業管理諮詢有限責任公司), a wholly-owned limited liability company held by Mr. Hu and Ms. Xu as to 60% and 40%, respectively. Shanghai Hailu is an investment holding entity.

Ningbo Hairui is a limited partnership entity established under the laws of the PRC and its general partner is Ms. Xu. Ningbo Hairui is an investment holding entity.

Ningbo Kuahang is a limited partnership entity established under the laws of the PRC and its general partner is Ms. Xu. Ningbo Kuahang is an investment holding entity.

Ningbo Qiaohao is a limited partnership entity established under the laws of the PRC and its general partner is Ms. Xu. Ningbo Qiaohao is an investment holding entity.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but such ratios are all less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Hu (a director and a substantial shareholder of the Target Company) and Ms. Xu (a director of the Target Company and the spouse of Mr. Hu) are connected persons of the Company at the subsidiary level. As (i) Shanghai Hailu is a limited partnership entity of which the general partner is a company held by Mr. Hu and Ms. Xu as to 60% and 40%, respectively, and (ii) Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao are all limited partnership entities of which the general partner is Ms. Xu, Shanghai Hailu, Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao are associates of Mr. Hu and Ms. Xu under Rule 14A.12 of the Listing Rules and connected persons of the Company. Accordingly, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Acquisition. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The Company will convene the EGM to consider and, if thought fit, to approve the Acquisition. Shareholders with a material interest in the Acquisition will be required to abstain from voting at the EGM.

None of the Directors has a material interest in the Acquisition or is required to abstain from voting on the resolutions of the Board approving the Acquisition. As Mr. Hu is interested in the Acquisition, Mr. Hu (who holds 8,467,879 Shares as at the date of this announcement) and his associates will abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Acquisition.

A circular containing, among other things, (i) further particulars of the Acquisition, (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition, (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Acquisition, (iv) the financial information of the Target Company, (v) the unaudited proforma financial information of the enlarged Group, (vi) the Valuation Report, and (vii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before January 24, 2025, as additional time will be required to prepare the relevant information to be included in the circular.

DEFINITIONS

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

"Accumulated Deferred Amount"	the cumulative amount of the Total Deferred Payment after deducting the compensation amounts paid and/or to be paid by the Vendors and/or the Third Phase Vendors under the Deferred Payment Arrangement
"Acquisition"	the acquisition of an aggregate of approximately 36.43% equity interest in the Target Company pursuant to the Equity Transfer Agreement
"Actual Adjusted Net Profit"	the actual adjusted net profit attributable to owners of the Target Company based on the audited consolidated financial statements of the Target Company prepared in accordance with IFRS with an unqualified opinion issued by a qualified accounting firm for the relevant year (as confirmed by the Transaction Audit Report for the relevant year) after deducting the gains from inventory profit, the exchange gains and losses, the adjustments in relation to the related cost of subsequent business integration as mutually agreed by Mr. Hu and the Purchaser and any necessary adjustment in accordance with the Transaction Audit Report
"Actual Net Profit"	the net profit attributable to owners of the Target Company based on the audited consolidated financial statements of the Target Company prepared in accordance with IFRS with an unqualified opinion issued by a qualified accounting firm for the relevant year (as confirmed by the Transaction Audit Report for the relevant year) and after deducting the adjustments in relation to the related cost of subsequent business integration as mutually agreed by Mr. Hu and the Purchaser and any necessary adjustment in accordance with the Transaction Audit Report
"Adjusted Net Operating Cashflow"	the net cash generated from operating activities of the Target Company based on the audited consolidated financial statements of the Target Company prepared in accordance with IFRS with an unqualified opinion issued by a qualified accounting firm for the relevant year (as confirmed by the Transaction Audit Report for the relevant year), after deducting payments relating to operating leases and any necessary adjustment in accordance with the Transaction Audit Report
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	board of Directors

"China" or "PRC"	the People's Republic of China
"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 to it under the Listing Rules
"Deloitte"	Deloitte Touche Tohmatsu
"Director(s)"	the director(s) of the Company
"Earn Out Amounts"	the Second Phase Earn Out Amount and the Third Phase Earn Out Amount
"EGM"	the extraordinary general meeting of the Company to be convened to consider and approve the Acquisition
"Equity Transfer Agreement"	the equity transfer agreement entered into between the Purchaser and the Vendors on December 6, 2024 in relation to the Acquisition
"Exclusive Purchase Option Agreement"	the exclusive purchase option agreement to be entered into by Ningbo Hairui, Ningbo Kuahang, Ningbo Qiaohao, the Target Company, the Founders and the Purchaser, details of which are set out in the paragraph headed "*Exclusive Purchase Option*" in this announcement
"First Phase Acquisition"	the transfer of approximately 16.43% equity interest in the Target Company by Shanghai Hailu to the Purchaser pursuant to the Equity Transfer Agreement
"First Phase Conditions"	the conditions precedent for the First Phase Acquisition, details of which are set out in the paragraph headed "*Conditions precedent — (a) First Phase Acquisition*" in this announcement
"First Phase Consideration"	approximately RMB2,314 million, details of which are set out in the paragraph headed "*Total Consideration and payment arrangements — (a) First Phase Consideration*"
"Founders"	Mr. Hu and Ms. Xu
"FY"	the financial year ended or ending (as the case may be)

"Group"	the Company, its subsidiaries and consolidated affiliated entities from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board, comprising all the independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of the Acquisition
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition
"Independent Shareholder(s)"	Shareholders who are not required to abstain from voting on such resolutions at the EGM due to any material interest in the Acquisition
"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 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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Hu"	Mr. Hu Haijian (胡海建)
"Ms. Xu"	Ms. Xu Lifeng (徐鰲鳳)
"Ningbo Hairui"	Ningbo Hairui Innovation Investment Partnership (Limited Partnership) (寧波海睿創新投資合夥企業（有限合夥）)
"Ningbo Kuahang"	Ningbo Kuahang Investment Partnership (Limited Partnership) (寧波跨航投資合夥企業（有限合夥）)
"Ningbo Qiaohao"	Ningbo Qiaohao Investment Partnership (Limited Partnership)(寧波喬皓投資合夥企業（有限合夥）)

"Other Conditions"	the conditions precedent for the Acquisition, details of which are set out in the paragraph headed "*Conditions precedent — (d) Other Conditions*" in this announcement
"Pricing Net Profit"	the pricing net profit for the relevant year means the lower of (i) the Actual Adjusted Net Profit for that year or (ii) the Target Adjusted Net Profit for that year (or as otherwise set out in this announcement)
"Prospectus"	the prospectus of the Company dated May 17, 2021
"Purchaser"	Suqian Jingdong Bohai Enterprise Management Co., Ltd. (宿遷京東博海企業管理有限公司) and/or its designated affiliated entity, which shall be a subsidiary of the Company
"RMB"	Renminbi, the lawful currency of China
"Second Phase Acquisition"	the transfer of approximately 10% equity interest in the Target Company by Shanghai Hailu to the Purchaser pursuant to the Equity Transfer Agreement
"Second Phase Conditions"	the conditions precedent for the Second Phase Acquisition, details of which are set out in the paragraph headed "*Conditions precedent — (b) Second Phase Acquisition*" in this announcement
"Second Phase Consideration"	the consideration for the Second Phase Acquisition, details of which are set out in the paragraphs headed "*Total Consideration payment arrangements — (b) Second Phase Consideration*" and "*Total Consideration and payment arrangements — (d)(i) Second Phase Earn Out Amount*" in this announcement
"Second Phase Earn Out Amount"	the earn out amount being part of the Second Phase Consideration, details of which are set out in the paragraph headed "*Total Consideration and payment arrangements — (d)(i) Second Phase Earn Out Amount*" in this announcement"
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Hailu"	Shanghai Hailu Enterprise Management Consulting Partnership (Limited Partnership) (上海海淥企業管理諮詢合夥企業（有限合夥）)
"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)

"Share Pledge Agreement"	the agreement to be entered by Ningbo Hairui, Ningbo Kuahang, Ningbo Qiaohao, the Target Company, the Founders and the Purchaser pursuant to which Ms. Xu, Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao shall pledge an aggregate of 6% equity interest in the Target Company in favor of the Purchaser, details of which are set out in the paragraph headed "*Share Pledges*" in this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the meaning ascribed thereto under the Listing Rules
"Target Adjusted Net Profit"	the target adjusted attributable net profit of the Target Company for the relevant year, being RMB830 million, approximately RMB892 million and approximately RMB959 million for FY2023, FY2024 and FY2025, respectively
"Target Company" or "Kuayue-Express"	Kuayue-Express Group Co., LTD. (跨越速運集團有限公司)
"Target Group"	the Target Company and its subsidiaries
"Third Phase Acquisition"	the transfer of approximately 10% equity interest in the Target Company by the Third Phase Vendors to the Third Phase Purchasers pursuant to the Equity Transfer Agreement
"Third Phase Conditions"	the conditions precedent for the Third Phase Acquisition, details of which are set out in the paragraph headed "*Conditions precedent — (c) Third Phase Acquisition*" in this announcement
"Third Phase Consideration"	the consideration for the Third Phase Acquisition, details of which are set out in the paragraphs headed "*Total Consideration and payment arrangements — (c) Third Phase Consideration*" and "*Total Consideration and payment arrangements — (d)(ii) Third Phase Earn Out Amount*" in this announcement
"Third Phase Earn Out Amount"	the earn out amount being part of the Third Phase Consideration, details of which are set out in the paragraph headed "*Total Consideration and payment arrangements — (d)(ii) Third Phase Earn Out Amount*"
"Third Phase Guarantors"	the Vendors and the Third Phase Vendors
"Third Phase Purchasers"	the entities to be designated by the Purchaser pursuant to the Equity Transfer Agreement, which may be the Company and/or its subsidiaries or other parties subject to the Proposed Structural Adjustment

"Third Phase Vendors"	the vendors in the Third Phase Acquisition to be designated by the Vendors pursuant to the Equity Transfer Agreement, of which their controllers or substantial shareholders shall be the Vendors
"Total Consideration"	the First Phase Consideration, the Second Phase Consideration and the Third Phase Consideration, subject to the Performance-based Consideration Adjustment
"Total Deferred Payment"	the First Phase Earn Out Deferred Amount, the Second Phase Earn Out Deferred Amount and/or the Third Phase Earn Out Deferred Amount
"Valuer" or "Kroll"	an independent valuer, Kroll (HK) Limited
"Valuation Date"	September 30, 2024
"Valuation Report"	the report of the valuation of approximately 36.43% equity interest in the Target Company as of the Valuation Date prepared by the Valuer
"Vendors" or "Guarantors"	the Founders, Shanghai Hailu, Ningbo Hairui, Ningbo Kuahang and Ningbo Qiaohao
"%"	per cent

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

Hong Kong, December 6, 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, Dr. Xiande Zhao, Mr. Yang Zhang and Dr. Lin Ye as independent non-executive Directors.

The following is the text of a report from Deloitte Touche Tohmatsu, the reporting accountants of the Company, for the purpose of inclusion in this announcement.

Deloitte. 德勤

INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF 36.43% EQUITY INTEREST IN KUAYUE-EXPRESS GROUP CO., LTD.

TO THE BOARD OF DIRECTORS OF JD LOGISTICS, INC.

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Kroll (HK) Limited dated December 6, 2024, of approximately 36.43% equity interest in Kuayue-Express Group Co., LTD. (the "**Target Company**") as of September 30, 2024 (the "**Valuation**") is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and is included in the announcement dated December 6, 2024 of JD Logistics, Inc. (the "**Company**") in connection with the acquisition of approximately 36.43% equity interest in the Target Company.

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Valuation (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
December 6, 2024

December 6, 2024

The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor
Two Exchange Square
8 Connaught Place
Central, Hong Kong

Dear Sirs,

MAJOR TRANSACTION AND CONNECTED TRANSACTION ACQUISITION OF THE REMAINING 36.43% EQUITY INTEREST IN KUAYUE-EXPRESS

We refer to the announcement of JD Logistics, Inc. (the "**Company**") dated December 6, 2024 in relation to the captioned transaction (the "**Announcement**"). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings in this letter when used herein.

We refer to the valuation report dated December 6, 2024 prepared by the Valuer, Kroll (HK) Limited, in relation to the valuation (the "**Valuation**") related to the acquisition of approximately 36.43% equity interest in the Target Company. Such Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The Board has reviewed and prepared the information and documents relating to the basis and assumptions on which the discounted cash flows in the Valuation are based and the calculation method used, and has reviewed the Valuation prepared by the Valuer (for which the Valuer is responsible for). The Board has also considered the report from Deloitte, the auditor of the Company, as set out in Appendix I to the Announcement regarding the calculations of the discounted cash flows in the Valuation.

On the basis of the foregoing, in accordance with the requirements under Rule 14.60A(3) of the Listing Rules, the Board confirms that the Valuation prepared by the Valuer has been made after due and careful enquiry by us.

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