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LX Technology Group Limited
凌雄科技集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2436)

CONTINUING CONNECTED TRANSACTION — REVISION OF ANNUAL CAPS OF THE 2024 PURCHASE FRAMEWORK AGREEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 27 December 2024 (the "**Renewal of CCT Announcement**"). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Renewal of CCT Announcement.

Due to the expansion of the device recycling business and the device subscription business of the Group, the Board expects that the transaction amount in respect of the purchase of new and second-hand devices from JD Group under the 2024 Purchase Framework Agreement will increase and the existing annual caps for the three years ending 31 December 2027 may not be sufficient to cover the same.

Therefore, on 27 August 2025 (after trading hours), the Company entered into a supplemental agreement (the "**Supplemental Agreement**") with Beijing JD to revise the existing annual caps (the "**Existing Annual Caps**") of the 2024 Purchase Framework Agreement. Save for the revision of the Existing Annual Caps, all other terms under the 2024 Purchase Framework Agreement remain unchanged. For principal terms of the 2024 Purchase Framework Agreement, please refer to the Renewal of CCT Announcement.

THE SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are set out below:

Parties: the Company and Beijing JD

Subject: Pursuant to the Supplemental Agreement, the Existing Annual Caps under the 2024 Purchase Framework Agreement are revised as follows:

	For the year ending 31 December 2025	
	existing annual cap (RMB '000)	*revised annual cap (RMB '000)*
New devices	2,000	3,000
Second-hand devices	8,000	17,000
Total	10,000	20,000

	For the year ending 31 December 2026	
	existing annual cap (RMB '000)	*revised annual cap (RMB '000)*
New devices	3,000	3,800
Second-hand devices	9,000	20,200
Total	12,000	24,000

	For the year ending 31 December 2027	
	existing annual cap (RMB '000)	*revised annual cap (RMB '000)*
New devices	4,000	4,800
Second-hand devices	10,000	24,200
Total	14,000	29,000

Basis of the revised annual caps:

The revised annual caps were determined with reference to:

(i) the actual transaction amount for the seven months ended 31 July 2025:

	For the year ending 31 December 2025	**For the seven months ended 31 July 2025**
	existing annual cap (RMB '000)	*actual transaction amounts (RMB '000)*
New devices	**2,000**	46
Second-hand devices	**8,000**	7,596
Total	**10,000**	7,642

(ii) the estimated increment in the amount of purchases of new and second-hand devices by the Group from JD Group during the term of the 2024 Purchase Framework Agreement based on expected increasing device recycling volume and device subscription volume under the Group's device recycling business and the device subscription business.

Save for the revision of Existing Annual Caps, all other terms under the 2024 Purchase Framework Agreement remain unchanged.

INTERNAL CONTROL MEASURES

In order to ensure the pricing terms will be in accordance with the 2024 Purchase Framework Agreement (as amended by the Supplemental Agreement), before entering into any individual agreement, the procurement centre of the Group will collect information on the prevailing market price of similar devices charged by at least three other Independent Third Parties in the PRC (if available) in order to ensure the purchase price offered by JD Group to the Group will be no less favourable than those made available from Independent Third Parties with similar terms.

Regular checks will be conducted on a quarterly basis to review and assess whether the transactions contemplated under the 2024 Purchase Framework Agreement (as amended by the Supplemental Agreement) are conducted in accordance with its terms and the price charged for a specific transaction is fair and reasonable and in accordance with the aforementioned pricing policy. Further, the finance centre of the Company, under the overall supervision of the Company's chief finance officer, will monitor the transaction amounts in respect of the 2024 Purchase Framework Agreement (as amended by the Supplemental Agreement) and review the management accounts on a quarterly basis and as required from time to time to ensure that the actual transaction amounts with JD Group under the 2024 Purchase Framework Agreement (as amended by the Supplemental Agreement) do not exceed the relevant annual caps. Where a threshold of 90% of the utilisation rate is reached, the finance centre will report to the company secretary of the Company, which will in turn report to the Board to consider revising the annual caps in accordance with the relevant requirements of the Listing Rules.

The independent non-executive Directors will continue to review the transactions contemplated under the 2024 Purchase Framework Agreement (as amended by the Supplemental Agreement) and the auditors of the Company will also conduct an annual review on the pricing terms and annual cap of the relevant continuing connected transactions thereof.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

Since the listing of the Company, the Group has recorded increasing sales and service demands. The Group has since then sought adequate supply of IT devices from both JD Group and other third-party suppliers. Based on the management accounts of the Company, the transaction amount under the 2024 Purchase Framework Agreement for the seven months ended 31 July 2025 was approximately RMB7.6 million, which is approximately 76% of the existing annual cap under the 2024 Purchase Framework Agreement for the year ending 31 December 2025. The Group anticipated that the Existing Annual Caps will not be sufficient to meet the purchase demand of the Group till the end of 2025 as well as for the two years ending 31 December 2027 in view of the business expansion of the Group. The revision of the annual caps will enable the Group to continue to purchase devices from JD Group to satisfy its ongoing business needs and will also give the Group additional operational flexibility to capture unforeseen opportunities to purchase IT devices from JD Group with competitive prices.

The Directors (including the independent non-executive Directors) consider that the Supplemental Agreement is entered into in the usual and ordinary course of business of the Group, the terms of which (including the revised annual caps) are fair and reasonable and on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Beijing JD is ultimately controlled by JD.com, Inc., a controlling shareholder of JD BVI. JD BVI is a substantial shareholder of the Company holding 39,589,868 Shares, representing approximately 11.2% of the issued share capital of the Company. Therefore, Beijing JD is an associate of JD BVI and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2024 Purchase Framework Agreement and the Supplemental Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the relevant highest annual cap under the Supplemental Agreement is above 0.1% but below 5%, the Supplemental Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, none of the Directors has material interest in the transactions contemplated under the Supplemental Agreements and none of the Directors was required to abstain from voting on the relevant Board resolutions for approving the Supplemental Agreement.

INFORMATION ABOUT THE PARTIES

The Company and the Group

The Company is incorporated in the Cayman Islands and the Shares of which are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in the sales of refurbished de-commissioned IT devices to, among others, resellers of IT devices, and the provision of device and IT technical subscription services to SMEs in China, as a DLM solution provider.

JD Group and Beijing JD

Beijing JD is an operating subsidiary of and ultimately controlled by JD.com, Inc. Beijing JD principally engages in wholesale and retail businesses.

JD.com, Inc. is a leading supply chain-based technology and service provider, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 9618 (HKD counter) and 89618 (RMB counter)) and the American depositary shares of which are listed on NASDAQ (ticker symbol: JD). JD Group engages in e-commerce business which includes online retail and online marketplace.

As at 28 February 2025, JD.com, Inc. is held, in terms of voting power, as to approximately 71.7% by Mr. Liu mainly through Max Smart Limited and Fortune Rising Holdings Limited. Max Smart Limited is a BVI company beneficially owned by Mr. Liu through a trust and of which Mr. Liu is the sole director. Fortune Rising Holdings Limited is a company incorporated in the BVI and holds shares of JD.com for the purpose of transferring such shares to the plan participants under JD.com's share incentive plan, and administers the awards and acts according to JD.com's instruction. Fortune Rising Holdings Limited exercises the voting power with respect to these shares according to JD.com's instruction. Mr. Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited.

By order of the Board
LX Technology Group Limited
Hu Zuoxiong
Chairman

Shenzhen, the PRC, 27 August 2025

As of the date of this announcement, the executive Directors are Mr. HU Zuoxiong, Mr. CHEN Xiuwei and Mr. CAO Weijun, the non-executive Director is Mr. LI Jing, and the independent non-executive Directors are Ms. XU Nailing, Mr. YAO Zhengwang and Mr. ZOU Shenghe.