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JD Logistics, Inc.
京东物流股份有限公司

(A company incorporated in the Cayman Islands with limited liability)

(Stock Code: 2618)

CONTINUING CONNECTED TRANSACTION — JD TECHNOLOGY SHARED SERVICES FRAMEWORK AGREEMENT

JD TECHNOLOGY SHARED SERVICES FRAMEWORK AGREEMENT

The Board is pleased to announce that on July 2, 2021, the Company entered into the JD Technology Shared Services Framework Agreement (as defined below) with JD Technology, pursuant to which JD Technology will provide to the Group certain technology support related services, including but not limited to IDC (Internet data center) related services, cloud computing services, cloud storage services, intelligent customer services, online contract signing cloud platform, information technology support services and corporate business services.

LISTING RULES IMPLICATIONS

JD Technology is considered a connected person of the Company by virtue of it being an associate of JD.com, a controlling shareholder of the Company, as JD.com held approximately 42% equity interest in JD Technology as at the date of this announcement. Therefore, the JD Technology Shared Services Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the JD Technology Shared Services Framework Agreement with reference to the proposed annual cap is more than 0.1% but below 5%, the JD Technology Shared Services Framework Agreement is subject to the reporting, announcement and annual review requirements, but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

JD TECHNOLOGY SHARED SERVICES FRAMEWORK AGREEMENT

The Board is pleased to announce that on July 2, 2021, the Company entered into a framework agreement with JD Technology with respect to provision of certain services by JD Technology (“**JD Technology Shared Services Framework Agreement**”) — the principal terms of which are set out below:

Date

July 2, 2021

Parties

- (i) the Company (for itself and on behalf of its subsidiaries); and
- (ii) JD Technology (for itself and on behalf of its subsidiaries).

Term

July 2, 2021 to December 31, 2023

Subject matter

Pursuant to the JD Technology Shared Services Framework Agreement, JD Technology provides the Group with certain technology support related services, including but not limited to IDC (Internet data center) related services, cloud computing services, cloud storage services, intelligent customer services, online contract signing cloud platform, information technology support services and corporate business services (“**JD Technology Shared Services**”).

Reasons for, and benefits of, the transaction

JD Technology Shared Services were originally provided by JD Group as part of the shared services covered under the shared services framework agreement entered into between the Company and JD.com on May 13, 2021 and as disclosed in the section headed “Connected Transactions — 7. Shared Services Framework Agreement” of the Prospectus. Due to the reorganization of the cloud computing and artificial intelligence business from JD Group to JD Technology as announced by JD.com on March 31, 2021, JD Technology Shared Services are now provided by JD Technology.

The JD Technology Shared Services Framework Agreement will continue to allow the Group to leverage on the mature infrastructure and coverage already built by JD Technology (i.e. technology facilities previously built and owned by JD Group prior to the reorganization as mentioned above), and help reduce the administrative costs of the Group in procuring similar services from a wide range of other providers.

Pricing policies

The relevant service fees under the JD Technology Shared Services Framework Agreement shall be determined by both parties based on fair market rate with reference to (i) the price quotations that the Group obtain from independent third party service providers for comparable services, and (ii) the service fees charged by JD Technology to any independent third party for comparable service. The Group will from time to time review the service fees for these shared services by comparing them against market prices chargeable by independent third party service providers for services of similar nature and scale, and ensure that the terms the Group obtain from JD Technology shall be on normal commercial terms or better as compared to those provided by independent third party service providers.

Historical transaction amounts

Based on the unaudited management accounts, the historical transaction amounts payable by the Group with respect to the JD Technology Shared Services for each of the year ended December 31, 2018, 2019 and 2020 and three months ended March 31, 2021 were approximately RMB0.5 million, RMB2.8 million, RMB100.8 million and RMB57.7 million, respectively.

Annual caps

In respect of the JD Technology Shared Services Framework Agreement, the transaction amounts to be paid by the Group to JD Technology for the three years ending December 31, 2023 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2021	2022	2023
	<i>(RMB in million)</i>		
Transaction amount to be paid by the Group to JD Technology	300	600	840

Basis for annual caps

The above proposed annual caps for the transaction amount to be paid by the Group to JD Technology in respect of the JD Technology Shared Services Framework Agreement are determined based on: (i) the historical transaction amounts and its growth trend for each of the three years ended December 31, 2020 and the three month period ended March 31, 2021; and (ii) estimated total transaction amounts payable by the Group under the JD Technology Shared Services Framework Agreement with reference to estimates on usage pattern, volume, demand for the relevant services based on business development of the Group, and a certain buffer for potential increment in service fees chargeable by the service providers.

INTERNAL CONTROLS FOR THE CONTINUING CONNECTED TRANSACTION

The Company will adopt adequate internal control measures to comply with the Listing Rules requirements with respect to the supervision and monitoring of the annual cap of the transaction contemplated under the JD Technology Shared Services Framework Agreement.

The Company's external auditors will review the continuing connected transaction under the JD Technology Shared Services Framework Agreement annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the annual cap has been exceeded. The independent non-executive Directors will also review the continuing connected transaction under the JD Technology Shared Services Framework Agreement annually to check and confirm whether such continuing connected transaction has been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such continuing connected transaction is conducted in accordance with the pricing policies.

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 enabled by technology, ranging from warehousing to distribution, spanning across manufacturing to end-customers, covering regular and specialized items. The Group's value proposition is to empower our customers' supply chains and substantially improve their operational efficiencies, which in turn enhance their own customer experience and stickiness.

JD Technology

JD Technology is a company incorporated in the PRC and is primarily engaged in the business of providing a suite of cutting-edge technology services to its business partners. JD Technology is considered a connected person of the Company by virtue of it being an associate of JD.com, a controlling shareholder of the Company, as JD.com held approximately 42% equity interest in JD Technology as at the date of this announcement.

LISTING RULES IMPLICATIONS

JD Technology is considered a connected person of the Company by virtue of it being an associate of JD.com, a controlling shareholder of the Company, as JD.com held approximately 42% equity interest in JD Technology as at the date of this announcement. Therefore, the JD Technology Shared Services Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the JD Technology Shared Services Framework Agreement with reference to the proposed annual cap is more than 0.1% but below 5%, the JD Technology Shared Services Framework Agreement is subject to the reporting, announcement and annual review requirements, but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

Each of Richard Qiangdong Liu, Sandy Ran Xu and Pang Zhang is deemed or may be perceived to have a material interest in the JD Technology Shared Services Framework Agreement (given they are employees of JD.com and/or its subsidiaries), and as a result has abstained from voting on the JD Technology Shared Services Framework Agreement. Other than the aforesaid Directors, no other Directors have a material interest in the JD Technology Shared Services Framework Agreement or are required to abstain from voting on the resolutions of the Board approving the transaction.

The Directors (including the independent non-executive Directors) have considered the JD Technology Shared Services Framework Agreement and have determined that the terms of which are: (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of directors of the Company
“China” or “PRC”	the People’s Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Director”	the director(s) of the Company
“Group”	the Company and its subsidiaries and consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JD.com”	JD.com, Inc., one of the controlling shareholders of the Company, a company incorporated in the British Virgin Islands on November 6, 2006 and subsequently redomiciled to the Cayman Islands on January 16, 2014 as an exempted company registered by way of continuation under the laws of the Cayman Islands and the shares of which are listed on the Main Board (stock code: 9618) under Chapter 19C of the Listing Rules and the ADSs of which are listed on Nasdaq under the symbol “JD” and, where the context requires, includes its consolidated subsidiaries and consolidated affiliated entities from time to time
“JD Group”	JD.com and its subsidiaries and consolidated affiliated entities, excluding the Group
“JD Technology”	Jingdong Technology Holding Co., Ltd. (京東科技控股股份有限公司), formerly known as Jingdong Digits Technology Holding Co., Ltd. (京東數字科技控股股份有限公司), and, where the context requires, includes its consolidated subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Prospectus”	the prospectus of the Company dated May 17, 2021
“RMB”	Renminbi, the lawful currency of China
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.000025 each

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

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

Hong Kong, July 2, 2021

As at the date of this announcement, the Board comprises Mr. Yui Yu, Mr. Yanlei Chen and Mr. Jun Fan as executive Directors, Mr. Richard Qiangdong Liu, Ms. Sandy Ran Xu and Ms. Pang Zhang as non-executive Directors, and Ms. Nora Gu Yi Wu, Ms. Carol Yun Yau Li and Mr. Liming Wang as independent non-executive Directors.