
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in JD Logistics, Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of JD Logistics, Inc..



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)

**(1) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION
OF NEW SHARES UNDER SPECIFIC MANDATE
(2) RE-ELECTION OF DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Gram Capital Limited

嘉林資本有限公司

Capitalised terms used in this cover page shall bear the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on page 14 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 28 of this circular.

A notice convening the EGM to be held at Building A, No. 18 Kechuang 11 Street, Yizhuang, Economic and Technological Development Zone, Daxing District, Beijing, People's Republic of China, on Friday, May 13, 2022 at 10 a.m. or any adjournment of such meeting is set out on pages 37 to 39 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying proxy form and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in accordance with the instructions printed on it as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM (i.e., at or before 10 a.m. on Wednesday, May 11, 2022 (Hong Kong time)) or any adjournment of such meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment of such meeting should you so wish and in such event, the proxy form previously submitted shall be deemed to be revoked.

April 25, 2022

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	14
LETTER FROM GRAM CAPITAL	15
APPENDIX I GENERAL INFORMATION	29
APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	35
NOTICE OF EXTRAORDINARY GENERAL MEETING	37

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated March 25, 2022 in relation to, among others, the Subscription Agreement and the transactions thereunder
“Articles” or “Articles of Association”	the second amended and restated articles of association of the Company adopted on May 10, 2021 and effective on May 28, 2021
“Board”	the board of Directors of the Company
“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 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
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Building A, No. 18 Kechuang 11 Street, Yizhuang, Economic and Technological Development Zone, Daxing District, Beijing, People’s Republic of China, on Friday, May 13, 2022 at 10 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 37 to 39 of this circular, or any adjournment thereof
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“Group”	the Company, its subsidiaries and its consolidated affiliated entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Incentive Schemes”	the pre-IPO employee share incentive scheme adopted by the Company on March 31, 2018, the post-IPO share option scheme adopted by the Company on May 10, 2021 and the post-IPO share award scheme adopted by the Company on May 10, 2021
“Independent Board Committee”	the independent Board committee comprising all independent non-executive Directors, to advise the Independent Shareholders on the Subscription

DEFINITIONS

“IFA” or “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, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription
“Independent Shareholders”	the Shareholders other than Jingdong Technology Group Corporation and its associates
“JD.com”	JD.com, Inc., a company incorporated in the BVI on November 6, 2006 and subsequently redomiciled to the Cayman Islands on January 16, 2014 as an exempted company under the laws of the Cayman Islands, the ADSs of which are listed of NASDAQ under the ticker symbol “JD” and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 9618)
“Latest Practicable Date”	April 19, 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained in this circular
“Last Trading Date”	March 24, 2022, being the last trading day prior to the signing of the Subscription Agreement, which took place after trading hours
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time
“Placees”	the placees under the Placing
“Placing”	the placement of Placing Shares to the Placees at the Placing Price as set out in the Announcement
“Placing Agreement”	the placing agreement entered into between the Company and the placing agents as stated therein dated March 25, 2022 in respect of the Placing, details of which are set out in the Announcement
“Placing Price”	HK\$20.71 per Placing Share
“Placing Shares”	150,500,000 new Shares issued by the Company and placed to the Placees as set out in the Announcement
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus of the Company dated May 17, 2021
“RMB” or “Renminbi”	Renminbi, the lawful currency of China

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary share(s) in the share capital of our Company with par value of US\$0.000025 each
“Shareholders”	holder(s) of Shares, as context so requires
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by Jingdong Technology Group Corporation pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and Jingdong Technology Group Corporation dated March 25, 2022 in respect of the Subscription
“Subscription Price”	HK\$20.71 (corresponding to US\$2.65) per Subscription Share
“Subscription Shares”	an aggregate of 261,400,000 new Shares to be issued by the Company and subscribed by Jingdong Technology Group Corporation under the Subscription Agreement
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Trading Day”	a day when the Stock Exchange or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	U.S. dollar(s), the lawful currency of the United States
“%”	percent

LETTER FROM THE BOARD



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)

Mr. Yui Yu (余睿)

(Chief Executive Officer, Executive Director)

Mr. Richard Qiangdong Liu (劉強東)

(Chairman, Non-executive Director)

Ms. Nora Gu Yi Wu (顧宜)

(Independent Non-executive Director)

Mr. Liming Wang (王利明)

(Independent Non-executive Director)

Ms. Carol Yun Yau Li (李恩祐)

(Independent Non-executive Director)

Dr. Xiande Zhao (趙先德)

(Independent Non-executive Director)

Mr. Yang Zhang (張揚)

(Independent Non-executive Director)

Registered Office:

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Headquarters:

10th Floor, Building B

No. 18 Kechuang 11 Street

Yizhuang Economic and Technological

Development Zone

Daxing District, Beijing

People's Republic of China

Room 302, 3rd Floor

Zhiheng Building,

E-Commerce Industrial Park,

Suyu District, Suqian,

People's Republic of China

Principal place of business in Hong Kong:

Room 1901, 19/F

Lee Garden One

33 Hysan Avenue

Causeway Bay,

Hong Kong

April 25, 2022

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION
OF NEW SHARES UNDER SPECIFIC MANDATE
(2) RE-ELECTION OF DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the Announcement in relation to the Subscription.

On behalf of the Board, I would like to invite you to attend the EGM to be held at Building A, No. 18 Kechuang 11 Street, Yizhuang, Economic and Technological Development Zone, Daxing District, Beijing, People's Republic of China, on Friday, May 13, 2022 at 10 a.m.. The purpose of this circular is to give you notice of the EGM and to provide you, among other things, information regarding the connected transaction involving subscription of new shares under specific mandate and details of Directors proposed for re-election, which will be put forward at the EGM for the Shareholders' consideration. Such information includes:

- (a) further details of the Subscription Agreement and the respective transaction contemplated thereunder;
- (b) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder;
- (c) a letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder;
- (d) other information as required under the Listing Rules; and
- (e) details of Directors proposed for re-election.

2. CONNECTED TRANSACTION INVOLVING THE SUBSCRIPTION

The Board is pleased to announce that on March 25, 2022 (before trading hours), the Company and Jingdong Technology Group Corporation entered into the Subscription Agreement, pursuant to which Jingdong Technology Group Corporation has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 261,400,000 Subscription Shares at the Subscription Price of HK\$20.71 (corresponding to US\$2.65) for each Subscription Share.

The Subscription Agreement

Date:

March 25, 2022

Parties:

- (1) the Company (as the issuer); and
- (2) Jingdong Technology Group Corporation (as the subscriber).

Subscription Shares

261,400,000 new Shares to be issued to Jingdong Technology Group Corporation, representing in aggregate (i) approximately 4.13% of the existing issued share capital of the Company as at the Latest Practicable Date and (ii) approximately 3.96% of the issued share capital as enlarged by the

LETTER FROM THE BOARD

allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Subscription save for the issue of the Subscription Shares). The aggregate nominal value of the Subscription Shares will be US\$6,535.

Subscription Price

The subscription price per new Share is equivalent to the Placing Price of HK\$20.71 per Share and represents (i) a discount of approximately 9.96% to the closing price of HK\$23.00 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 13.74% to the average closing price of approximately HK\$24.01 per Share as quoted on the Stock Exchange for the last five (5) consecutive Trading Days prior to and including the Last Trading Date; and (iii) a discount of approximately 6.26% to the average closing price of approximately HK\$22.09 per Share as quoted on the Stock Exchange for the last ten (10) consecutive Trading Days prior to and including the Last Trading Date. The aggregate market value of the Subscription Shares is approximately HK\$5,414 million.

The Subscription Price was determined with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the best interests of the Company and the Shareholders as a whole, and that the Subscription Agreement is entered into upon normal commercial terms.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment of the Subscription Shares.

Conditions of the Subscription

The closing of the Subscription is conditional upon the following conditions being satisfied:

- (a) The approval of the Subscription Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not being subsequently revoked prior to the closing of the Subscription).

Application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares.

In the event that the above conditions are not fulfilled on or before September 30, 2022 (or such later date as may be agreed between the parties), then the Subscription Agreement shall terminate with immediate effect (other than the surviving provisions and without prejudice to the rights and/or obligations of any party in respect of any antecedent breach), and the parties shall be released and discharged from their respective obligations under the Subscription Agreement.

LETTER FROM THE BOARD

Closing of the Subscription

Closing of the Subscription shall take place at 10.00 a.m. (Hong Kong time) on the date as the Company and Jingdong Technology Group Corporation agree in writing after the satisfaction of the conditions of the Subscription and before September 30, 2022 (or such later date as may be agreed between the parties).

2.1 REASONS FOR THE SUBSCRIPTION

The Subscription is being undertaken to further enlarge the Shareholders' equity base of the Company, optimize the capital structure of the Company and support the healthy and sustainable development of the Company. The Subscription also demonstrates the confidence of JD.com in the Company's long-term business development and prospects.

The Directors have also considered other forms of fund raising methods for the Group, such as other debt financing (i.e. bank borrowings or issuance of debt) and equity financing (i.e. rights issue or open offer), before entering into the Subscription Agreement and the Placing Agreement. Due to the additional costs and relatively longer timeframes of these alternatives, the Directors consider that the Subscription is an appropriate fund raising method currently available to the Group.

The Directors (including the independent non-executive Directors) also consider the terms of the Subscription Agreement to be fair and reasonable in the interests of the Company and the Shareholders as a whole and that the Subscription Agreement is entered into upon normal commercial terms.

2.2 USE OF PROCEEDS

The estimated net proceeds from the Subscription (after deducting all fees, costs and expenses incurred by the Company in connection with the Subscription) are expected to be approximately US\$692 million, or approximately RMB4,402 million. The estimated net Subscription Price, after deducting such fees, costs and expenses, is therefore approximately HK\$20.70 per Subscription Share.

The Company intends to use the net proceeds from the Subscription as follows:

- 85% of the net proceeds from the Subscription to improve the Group's logistics network and solutions, both organically and/or by acquisitions; and
- 15% of the net proceeds from the Subscription to increase cash reserves for general corporate use.

As at the Latest Practicable Date, the net proceeds may be utilized for the proposed acquisition of 寧波梅山保稅港區德邦投資控股股份有限公司 (Ningbo Meishan Baoshui area Deppon Investment Holding Company Limited) (the "**Deppon Holdco**") by 宿遷京東卓風企業管理有限公司 (Suqian Jingdong Zhuofeng Enterprise Management Co., Ltd.), an indirectly wholly-owned subsidiary of the Company, as well as other potential acquisition targets that have not yet been identified.

The total consideration for the acquisition of Deppon Holdco is RMB8,975,853,380.62; such amount can be sufficiently covered by proceeds of the Placing, the Subscription and the cash and cash equivalents of the Company. The acquisition of Deppon Holdco is subject to, among others, Shareholders' approval requirements under Chapter 14 of the Listing Rules. For further details of the proposed acquisition of Deppon Holdco, please refer to the announcement of the Company dated March 13, 2022.

LETTER FROM THE BOARD

The Company expects to fully utilize the net proceeds from the Subscription in 12 to 24 months from the closing date of the Subscription.

As at the date of this circular, the Company does not have any plans to conduct further financing in the 12 months after the closing date of the Subscription. Any plans to conduct further financing shall depend on, among other factors, changes in overall environment and the working capital needs of the Group.

2.3 FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company conducted its listing of shares on the Main Board of the Stock Exchange (the “**Listing**”) and the Global Offering in May 2021. The net proceeds from the Global Offering (following full exercise of the Over-allotment Option, as defined in the Prospectus) were approximately RMB22,945 million after deducting underwriting commissions and offering expenses paid or payable. There has been no change in the intended use of the net proceeds and the expected timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

The following table sets forth a summary of the utilization of the net proceeds as of the Latest Practicable Date:

	Percentage of net proceeds	Net proceeds <i>RMB million</i>	Amount utilized as at the Latest Practicable Date <i>RMB million</i>	Unutilized amount as of the Latest Practicable Date <i>RMB million</i>	Expected timeline of full utilization
Upgrading and expansion of our logistics networks	55%	12,620	6,316	6,304	12 to 36 months from the Listing
Developing advanced technologies to be used in our supply chain solutions and logistics services	20%	4,589	1,098	3,491	12 to 36 months from the Listing
Expanding the breadth and depth of our solutions, as well as for penetrating existing customers and attracting potential customers	15%	3,442	851	2,591	12 to 36 months from the Listing
General corporate purposes and working capital needs	10%	2,294	1,352	942	12 to 36 months from the Listing
	<u>100%</u>	<u>22,945</u>	<u>9,617</u>	<u>13,328</u>	

The unutilized amount as disclosed above was used for term deposits and placed within bank accounts.

LETTER FROM THE BOARD

The Company conducted a placing of new shares pursuant to the Placing Agreement, the net proceeds of which were approximately HK\$3,102 million, or approximately RMB2,523 million. For further details, please refer to the announcements of the Company dated March 25, 2022 and April 1, 2022. The Company intends to use the estimated net proceeds of the Placing to improve the Group's logistics network and solutions, both organically and/or by acquisitions, and to increase cash reserves for general corporate use. As at the Latest Practicable Date, the Company has not utilized any of the net proceeds from the Placing. The Company expects to fully utilize the net proceeds from the Placing in 12 to 24 months from the closing date of the Placing.

Save as disclosed above, the Company has not raised any funds through any issue of equity or debt securities during the past 12 months immediately preceding the Latest Practicable Date.

2.4 DILUTION EFFECT TO THE SHAREHOLDING STRUCTURE AS A RESULT OF THE SUBSCRIPTION

Set forth below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date, and without taking into account completion of the Subscription; and (ii) immediately after completion of the Subscription, in each case assuming that there is no further change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Subscription:

	As at the Latest Practicable Date, before the completion of the Subscription		Immediately after the completion of the Subscription	
	<i>Number of shares</i>	<i>Approximate %</i>	<i>Number of shares</i>	<i>Approximate %</i>
Shareholders				
ESOP Trustees ⁽²⁾	518,097,130	8.18	518,097,130	7.86
Jingdong Technology Group Corporation	3,930,871,100	62.06	4,192,271,100	63.56
Public Shareholders	<u>1,885,313,542</u>	<u>29.76</u>	<u>1,885,313,542</u>	<u>28.58</u>
Total	<u>6,334,281,772</u>	<u>100.00</u>	<u>6,595,681,772</u>	<u>100.00</u>

Note:

- (1) The above table assumes no Shares will be issued pursuant to any Incentive Schemes of the Company or otherwise, and no Shares will be purchased by the Company between the Latest Practicable Date and the completion of the Subscription. Certain figures and percentage figures included in the above table have been subject to rounding adjustments.
- (2) ESOP Trustees is comprised of Jungle Den Limited, Jazz Dream Limited, Perfect Match Limited and Mille Stelle Limited, which are all wholly owned by The Core Trust Company Limited, the trustee holding the shares on trust for the benefit of the participants of the Pre-IPO ESOP or the Post-IPO Share Award Scheme (both as defined in the Prospectus) (as the case may be).

Based on the Subscription Price, the Subscription will have a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.54%.

LETTER FROM THE BOARD

2.5 GENERAL

Information of the parties

The Company is the leading technology-driven supply chain solutions and logistics services provider in China.

Jingdong Technology Group Corporation is a wholly-owned subsidiary of JD.com, which is a leading supply chain-based technology and service provider. Its ADSs are listed on NASDAQ under the ticker symbol “JD” and its shares are listed on the Main Board of the Stock Exchange under stock code 9618.

Independent Shareholders’ approval

The Subscription is subject to Independent Shareholders’ approval. The Subscription Shares will be allotted and issued under a specific mandate to be proposed for approval by the Independent Shareholders by way of an ordinary resolution at the EGM.

Implications under the Listing Rules

As at the Latest Practicable Date, Jingdong Technology Group Corporation is a controlling shareholder and therefore a substantial shareholder of the Company and hence a connected person of the Company under the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to the announcement, circular, Independent Shareholders’ approval and reporting requirements under Chapter 14A of the Listing Rules.

Board approval relating to the Subscription has been obtained. Jingdong Technology Group Corporation is a wholly-owned subsidiary of JD.com, and Mr. Richard Qiangdong Liu, a current director of the Company, and Ms. Sandy Ran Xu and Ms. Pang Zhang, both directors of the Company at the time of the Board approval relating to the Subscription, served as chairman of the board and chief executive officer, chief financial officer, and chief human resources officer, respectively, of JD.com at the time of the Board approval. Therefore, they are deemed to have a material interest in the Subscription Agreement and the transactions contemplated thereunder and have abstained from voting on the resolutions of the Board approving the same.

Each of Mr. Yanlei Chen, Mr. Jun Fan, Ms. Sandy Ran Xu and Ms. Pang Zhang have resigned as Directors with effect from April 7, 2022. Their resignation was due to their respective other business engagements which require more of their time and dedication, and they have each confirmed that they have no disagreement with the Board.

Dr. Xiande Zhao and Mr. Yang Zhang were appointed as independent non-executive Directors with effect from April 7, 2022. They are part of the Independent Board Committee advising the Independent Shareholders on the Subscription. The advice of the Independent Board Committee to the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder is set out in the letter from the Independent Board Committee in this circular.

For further details on the aforementioned change of directors, please refer to the Company’s announcement dated April 7, 2022.

LETTER FROM THE BOARD

3. RE-ELECTION OF DIRECTORS

In accordance with Article 16.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. With effect from April 7, 2022, Dr. Xiande Zhao (趙先德) (“**Dr. Zhao**”) has been appointed as an independent non-executive Director and member of the audit committee and the remuneration committee of the Company, and Mr. Yang Zhang (張揚) (“**Mr. Zhang**”) has been appointed as an independent non-executive Director. Please refer to the announcement of the Company dated April 7, 2022. Accordingly, Dr. Zhao and Mr. Zhang will retire at the EGM and, being eligible, will offer themselves for re-election as independent non-executive Directors at the EGM.

The Nomination Committee assists the Board in the selection and nomination process for Dr. Zhao and Mr. Zhang. The nomination took into account the Board’s composition as well as the various diversity aspects as set out in the Company’s board diversity policy.

Dr. Zhao and Mr. Zhang, being the independent non-executive Directors eligible for re-election at the EGM, have made a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee and the Board have assessed the independence of Dr. Zhao and Mr. Zhang and are satisfied that Dr. Zhao and Mr. Zhang have the required character, integrity and experience to continue fulfilling the role of independent non-executive Directors and consider them to be independent.

In considering and approving the re-election of Dr. Zhao and Mr. Zhang at the EGM, the Nomination Committee and the Board have reviewed the background and experience of Dr. Zhao and Mr. Zhang. Given their education background, in-depth experience and industry expertise which allow them to provide valuable and relevant independent judgment and insights and contribute to the diversity of the Board, the Board believes that the re-election of Dr. Zhao and Mr. Zhang as independent non-executive Directors is in the interests of the Company and the Shareholders, and therefore recommends the Shareholders to re-elect each of them as independent non-executive Directors at the EGM.

The biographical details of Dr. Zhao and Mr. Zhang, who are proposed to be re-elected at the EGM, are set out in Appendix II to this circular.

4. EGM

The EGM will be held at Building A, No. 18 Kechuang 11 Street, Yizhuang, Economic and Technological Development Zone, Daxing District, Beijing, People’s Republic of China, on Friday, May 13, 2022 at 10 a.m.. The notice of the EGM is set out on pages 37 to 39 of this circular.

The EGM will be convened for the Shareholders to consider, and if thought fit, approve the Subscription Agreement, the respective transaction contemplated thereunder and the requisite specific mandate.

In accordance with the Listing Rules, Jingdong Technology Group Corporation and its associates will be required to abstain from voting on the resolution(s) to approve the Subscription Agreement, the connected transaction contemplated thereunder and the requisite specific mandate at the EGM.

As at the Latest Practicable Date, Jingdong Technology Group Corporation and its associates (including Mr. Richard Qiangdong Liu) held 3,930,871,100 Shares, representing 62.06% of the Company’s issued share capital. Jingdong Technology Group Corporation and its associates (including Mr. Richard Qiangdong Liu) control the voting rights in respect of the aforementioned Shares.

LETTER FROM THE BOARD

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the connected transaction contemplated under the Subscription Agreement and will be required to abstain from voting on the resolution(s) to approve the Subscription Agreement, the connected transaction contemplated thereunder and the requisite specific mandate at the EGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the Subscription Agreement and the connected transaction contemplated thereunder, and Gram Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The completion of the Subscription is subject to the satisfaction of the conditions precedent set out in the Subscription Agreement. As the completion of the Subscription may or may not take place, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

A form of proxy for use at the EGM is also enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event no later than 48 hours before the time appointed for holding the EGM (i.e. at or before 10 a.m. on Wednesday, May 11, 2022 (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment of such meeting should you so wish and in such event, the proxy form previously submitted shall be deemed to be revoked.

5. EXCHANGE RATE CONVERSION

Solely for convenience purposes, this circular includes translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the Renminbi amounts could actually be converted into another currency at the rates indicated, or at all.

Unless otherwise indicated (i) the translation between Renminbi and Hong Kong dollars was based on the rate of RMB0.8135 to HK\$1, and (ii) the translation between Renminbi and U.S. dollars was based on the rate of RMB6.3640 to US\$1.

6. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, May 10, 2022 to Friday, May 13, 2022, both dates inclusive, during which period no transfer of shares will be registered.

In order to qualify for attending and voting at the meeting, all instruments of transfer, accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do), must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, May 6, 2022.

LETTER FROM THE BOARD

7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote by shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted only by a show of hands. Therefore, the resolutions to be proposed at the EGM will be voted by way of poll.

An announcement on the poll results will be published after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

8. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 14 of this circular which contains its advice to the Independent Shareholders in connection with the Subscription Agreement and the connected transaction contemplated thereunder; (ii) the letter from Gram Capital set out on pages 15 to 28 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Subscription Agreement and the connected transaction contemplated thereunder, and the principal factors and reasons taken into consideration in arriving at its advice; and (iii) the additional information set out in the Appendices to this circular.

The Board (excluding the members of the Independent Board Committee, whose views are set out in the letter from the Independent Board Committee in this circular, and Mr. Richard Qiangdong Liu, who has abstained) after reviewing and considering the advice of Gram Capital in this circular, considers that the Subscription Agreement and the connected transaction contemplated thereunder are in the best interests of the Company and the Shareholders (including the Independent Shareholders) as a whole. The Directors consider the proposal for re-election of Directors is in the best interest of the Company and the Shareholders as a whole.

Accordingly, the Board recommends the Shareholders as a whole to vote in favour of the relevant resolutions in the terms as set out in the notice of the EGM.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Subscription Agreement and the connected transaction contemplated thereunder.



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)

April 25, 2022

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

We refer to the circular dated April 25, 2022 (the “**Circular**”) to the shareholders of the Company of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed to form the Independent Board Committee to advise the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the Circular. Gram Capital has been appointed to advise the Independent Shareholders and us in this regard.

Details of the advice and the principal factors and reasons Gram Capital has taken into consideration in giving such advice, are set out in the “Letter from Gram Capital” in the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendix thereto.

Having taken into account the terms of the Subscription Agreement and the connected transaction contemplated thereunder and the advice of Gram Capital, we are of the opinion that the terms of the Subscription Agreement are fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned, and the connected transaction contemplated thereunder is in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. We, therefore, recommend that you vote in favour of the resolutions to be proposed at the EGM to approve Subscription Agreement and the connected transaction contemplated thereunder.

Yours faithfully,
For and on behalf of
Independent Board Committee

Nora Gu Yi Wu (顧宜)

Liming Wang (王利明)

Carol Yun Yau Li (李恩祐)

Xiande Zhao (趙先德)

Yang Zhang (張揚)

Independent Non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

25 April 2022

*To: The independent board committee and the independent shareholders of
JD Logistics, Inc.*

Dear Sir/Madam,

CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 25 April 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 25 March 2022 (before trading hours), the Company and placing agents (the “**Placing Agents**”) entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agents, and the Placing Agents, each on a several but not joint nor joint and several basis, agreed to act as placing agents for the purpose of procuring on a best effort basis, as agents of the Company, purchasers to purchase 150,500,000 Placing Shares at the Placing Price of HK\$20.71 for each Placing Share. The completion of the Placing took place on 1 April 2022.

On the even date, the Company and Jingdong Technology Group Corporation entered into the Subscription Agreement, pursuant to which Jingdong Technology Group Corporation has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 261,400,000 Subscription Shares at the Subscription Price of HK\$20.71 (equivalent to approximately US\$2.65) for each Subscription Share.

For the avoidance of doubt, the Placing and the Subscription are not inter-conditional upon each other.

With reference to the Board Letter, the Subscription constitutes a connected transaction of the Company under the Listing Rules, which is subject to the announcement, reporting and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Ms. Nora Gu Yi Wu, Ms. Carol Yun Yau Li, Mr. Liming Wang, Dr. Xiande Zhao and Mr. Yang Zhang (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Subscription are on normal commercial terms and are fair and reasonable; (ii) whether the Subscription is conducted in the ordinary and usual course of the business of the Group and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Subscription and transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services provided by Gram Capital to the Company, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Subscription. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Jingdong Technology Group Corporation or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Subscription. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest

LETTER FROM GRAM CAPITAL

Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Subscription, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Subscription

Information on the Group

With reference to the Board Letter, the Company is the leading technology-driven supply chain solutions and logistics services provider in China.

Set out below are the audited consolidated financial information of the Group for the year ended 31 December 2021, together with comparative figures, as extracted from the Company's annual results announcement for FY2021 (the “**2021 Results Announcement**”):

	For the year ended 31 December 2021 (“FY2021”) RMB'000	For the year ended 31 December 2020 (“FY2020”) RMB'000	Year-on-year change %
Revenue	104,693,402	73,374,716	42.68
Gross Profit	5,784,076	6,293,639	(8.10)
Loss for the year	(15,660,732)	(4,037,289)	287.90
Non-IFRS (loss)/profit for the year ^(Note)	(1,225,916)	1,794,754	N/A

Note:

According to the 2021 Results Announcement, “Non-IFRS (loss)/profit” was defined as profit or loss for the year, excluding certain reconciling items as set out in the section headed “Non-IFRS Measures” of the 2021 Results Announcement. The Company excluded these items because they were either non-operating in nature or not indicative of the Group’s core operating results and business outlook, or did not generate any cash outflows.

LETTER FROM GRAM CAPITAL

As depicted in the table, the Group's revenue increased from approximately RMB73.4 billion for FY2020 to approximately RMB104.7 billion for FY2021, representing an increase of approximately 42.68%. The Group's revenue is derived from the provision of integrated supply chain solution and logistics services to its customers. With reference to the 2021 Results Announcement, the increase in revenue was primarily due to the increase in the number of the Group's external integrated supply chain customers and the increase in average revenue per customer.

Despite the increase in revenue of approximately 42.68% for FY2021 as compared to that for FY2020, the Group's gross profit decreased by approximately 8.10% for FY2021 as compared to that for FY2020, and the Group's gross profit margin decreased by approximately 3.06 percentage points from approximately 8.58% for FY2020 to approximately 5.52% for FY2021. With reference to the 2021 Results Announcement, the decrease in gross profit margin was primarily due to (i) the reduction in benefits from COVID-19 related government support; and (ii) the Group's efforts in enhancing and expanding the Group's logistics networks including increases in headcount of operational personnel, warehouse space, line-haul routes and other logistics infrastructure.

The Group's loss for FY2021 also increased by approximately 287.90% as compared to that for FY2020. With reference to the 2021 Results Announcement, such increase was primarily due to (i) the decrease in gross profit as aforementioned; and (ii) the increase in loss on fair value changes of convertible redeemable preferred shares.

As at 31 December 2021, the Group's cash and cash equivalents and net assets amounted to approximately RMB17.9 billion and RMB40.4 billion respectively.

Information on the subscriber

With reference to the Board Letter, Jingdong Technology Group Corporation is a wholly-owned subsidiary of JD.com which is a leading supply chain-based technology and service provider. Its ADSs are listed on NASDAQ under the ticker symbol "JD" and its shares are listed on the Main Board of the Stock Exchange under stock code 9618.

Reasons for and benefits of the Subscription and use of proceeds

With reference to the Board Letter, the Subscription is being undertaken to further enlarge the Shareholders' equity base of the Company, optimize the capital structure of the Company and support the healthy and sustainable development of the Company.

After considering that (i) Jingdong Technology Group Corporation (being a wholly-owned subsidiary of JD.com) participates in the Subscription; (ii) Jingdong Technology Group Corporation's interests in the Company upon the completion of the Subscription (i.e. approximately 63.46%)^(Note) will remain unchanged as compared to that before the Placing and the Subscription (i.e. approximately 63.46%), we concur with the Directors that the Subscription also demonstrates the confidence of JD.com (being the Company's controlling Shareholder) in the Company's long-term business development and prospects.

Note: As Jingdong Technology Group Corporation made on-market purchases of 6,871,100 Shares after the date of the Announcement and before the completion of the Placing, such number of Shares was not included in the calculation of shareholding.

LETTER FROM GRAM CAPITAL

Financing alternatives

The Directors consider the Subscription as an appropriate means to raise funds. It is a good opportunity to: (a) enhance the capital base of the Company; (b) enable the Company to maintain a sufficient positive cash position for the Group's operation; and (c) provide the Company with the financial flexibility necessary for the Group's continued business development and expansion.

Upon our enquiry, the Directors advised that they also considered other forms of fund raising methods for the Group, such as other equity financing (i.e. rights issue or open offer) and debt financing (i.e. bank borrowings or issuance of debt), before the entering into of the Subscription Agreement and the Placing Agreement.

In respect of the debt financing, it would incur additional finance costs and increase the gearing level of the Group and may be subject to lengthy due diligence and negotiations with lenders.

In respect of the equity financing, rights issue or open offer may (i) incur additional costs, including but not limited to underwriting commission (i.e. usually a percentage to the aggregated subscription price of underwritten shares) and other professional fees as compared to the Subscription (e.g. additional cost for unaudited pro forma financial information on net tangible assets, indebtedness statement, comfort letter on working capital sufficiency of the Group to be prepared by reporting accountants or auditors of the Company); and (ii) take a relatively longer timeframe when compared to the subscription of new shares/the Placing (note: (A) if a general meeting is required, (a) according to the Comparables (as defined below) as set out in the section headed "Comparables" below, the shortest period from the independent shareholders' approval for such subscription to the date of completion of such subscription was less than 10 business days; and (b) according to "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Stock Exchange in October 2020 (the "**Guide**"), there will be at least 25 business days between date of general meeting to approve open offer/rights issue and the date of despatch of certificates for offer shares/fully-paid rights shares; or (B) if a general meeting is not required, there were/ will be (a) five business days between the date of Placing Agreement to the completion of the Placing; and (b) according to the Guide, at least 31 business days (for open offer) and 27 business days (for rights issue) between date of publication of relevant proposal and the date of despatch of certificates for offer shares/ fully-paid rights shares). In contrast, the Subscription would (i) allow the Group to raise the necessary fund without incurring additional expenses (e.g. possible underwriting commission and costs for reporting accountants or auditors of the Company, etc.); and (ii) the Subscription also demonstrates the confidence of JD.com (being the Company's controlling Shareholder) in the Company's long-term business development and prospects.

Based on the above factors, we concur with the Directors that the Subscription is an appropriate fund raising method currently available to the Group.

Use of proceeds

The net proceeds from the Placing and the Subscription will be approximately RMB2,523 million (assuming all the Placing Shares are placed by the Placing Agent) and RMB4,402 million respectively (i.e. total amount: approximately RMB6,925 million (the "**Financing Proceeds**")).

As advised by the Company, the Company intends to use the 85% of estimated Financing Proceeds to improve the Group's logistics network and solutions, both organically and/or by acquisitions, and 15% of estimated Financing Proceeds to increase cash reserves for general corporate use.

With reference to the Board Letter and the 2021 Results Announcement, the Company conducted its listing of shares on the Main Board of the Stock Exchange and the Global Offering in May 2021. The net proceeds from the Global Offering (following full exercise of the Over-allotment Option, as defined in the Prospectus) were approximately RMB22,945 million after deducting

LETTER FROM GRAM CAPITAL

underwriting commissions and offering expenses paid or payable (the “**IPO Proceeds**”). Save for the Global Offering, the Company had not conducted any fund raising exercise by issuing equity securities during the 12 months immediately before the Last Trading Date. 55% of the IPO Proceeds (or approximately RMB12,620 million) will be used for upgrading and expansion of the Group’s logistics networks. As confirmed by the Company, the Financing Proceeds will be used in the same direction as the aforesaid use of IPO Proceeds.

Despite that the amount utilized in respect of upgrading and expansion of the Group’s logistics networks as at the Latest Practicable Date was approximately RMB6,316 million (i.e. approximately RMB6,304 million was not utilized), we consider the Financing Proceeds to be justifiable after taking into account the following factors:

- As stated in the Prospectus, among other things, the Group will aspire to achieve higher efficiency in its operations throughout the whole supply chain, in order to differentiate the quality of the Group’s solutions and services from those of its competitors. The Group planned to achieve this by strengthening its logistics network, improving overall utilization through economies of scale, increasing the level of integration across the Group’s logistics networks, and improving efficiencies through more intelligent decision-making. The Group will continue to strengthen its logistics network and infrastructure by strategically accessing advantageous geographical locations. The Group planned to broaden and deepen its logistics networks’ reach to extend its cross-border coverage. The Group will expand its air cargo network by increasing the number of destinations and flight frequencies. The Group will also continue to adopt an open mindset in collaborating with industry participants and partners, and fully utilize their resources and operational expertise to realize synergies.
- According to the Company’s announcement dated 13 March 2022 (the “**Acquisition Announcement**”), on 11 March 2022, an indirect wholly-owned subsidiary of the Company (the “**Purchaser**”), entered into certain agreements (the “**Acquisition Agreements**”) in relation to the acquisition of approximately 99.99% equity interest in 寧波梅山保税港区德邦投资控股股份有限公司 (Ningbo Meishan Baoshui area Deppon Investment Holding Company Limited*) in aggregate at a total consideration of approximately RMB8,975.85 million (the “**Acquisition Consideration**”). As at the date of the Acquisition Announcement, 寧波梅山保税港区德邦投资控股股份有限公司 (Ningbo Meishan Baoshui area Deppon Investment Holding Company Limited*) held 66.50% of 德邦物流股份有限公司 (Deppon Logistics Co., Ltd.), which is listed on the Shanghai Stock Exchange.

As 德邦物流股份有限公司 (Deppon Logistics Co., Ltd.) is listed on the Shanghai Stock Exchange, subject to the satisfaction of the conditions set out in the Acquisition Agreements and the Completion (as defined in the Acquisition Announcement), the Purchaser, as required under the relevant rules of the PRC authorities, will make a mandatory general offer (as the offeror) for all the Deppon Offer Shares (as defined in the Acquisition Announcement) at the offer price of RMB13.15 per Deppon Offer Shares (as defined in the Acquisition Announcement).

As stated in the Acquisition Announcement, the Group intends to finance the considerations by its own funds and/or financing.

Assuming the Acquisition Agreements becomes unconditional and the Group intends to settle the Acquisition Consideration by its own funds and/or financing (from the Placing and the Subscription), the unutilized amount in respect of upgrading and expansion of the Group’s logistics networks of the IPO Proceeds (based on the amount as at the Latest Practicable Date) and the Financing Proceeds are sufficient to cover the Acquisition Consideration.

LETTER FROM GRAM CAPITAL

Having considered (i) reasons for and benefits of the Subscription as mentioned above (in particular, the Subscription demonstrates the confidence of JD.com (being the Company's controlling Shareholder) in the Company's long-term business development and prospects); (ii) the Subscription is an appropriate fund raising method currently available to the Group; and (iii) the proposed use of proceeds is justifiable, we are of the view that the Subscription is a means of obtaining financing for the ongoing development of the Group's businesses and is therefore conducted in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole.

2. Principal terms of the Subscription

Set out below are the summarised terms of the Subscription, details of which are set out under the section headed "CONNECTED TRANSACTION INVOLVING THE SUBSCRIPTION" of the Board Letter.

Date: 25 March 2022 (the "**Agreement Date**")

Parties: (a) the Company (as the issuer); and

(b) Jingdong Technology Group Corporation (as the subscriber).

Subscription Shares:

261,400,000 new Shares to be issued to Jingdong Technology Group Corporation, representing in aggregate (i) approximately 4.13% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 3.96% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Subscription save for the issue of the Subscription Shares).

Subscription Price:

With reference to the Board Letter, the Subscription Price is HK\$20.71 per Subscription Share, representing:

- (i) a premium of approximately 12.55% over the closing price of HK\$18.40 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) the Placing Price of HK\$20.71 per Placing Shares, which were placed to not less than six Placees who and whose respective ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Independent Third Parties;
- (iii) a discount of approximately 9.96% to the closing price of HK\$23.00 per Share as quoted on the Stock Exchange on the Last Trading Date (the "**LTD Discount**");
- (iv) a discount of approximately 13.74% to the average closing price of approximately HK\$24.01 per Share as quoted on the Stock Exchange for the last five consecutive Trading Days prior to and including the Last Trading Date (the "**5 Days Discount**");

LETTER FROM GRAM CAPITAL

- (v) a discount of approximately 6.26% to the average closing price of approximately HK\$22.09 per Share as quoted on the Stock Exchange for the last 10 consecutive Trading Days prior to and including the Last Trading Date (the “**10 Days Discount**”); and
- (vi) a premium of approximately 174.67% over the Company’s audited consolidated net asset value per Share as at 31 December 2021 of approximately HK\$7.54 (calculated by the Company’s equity attributable to owners of the Company of approximately RMB37,938 million and 6,183,281,772 Shares in issue as at 31 December 2021).

With reference to the Board Letter, the Subscription Price was determined with reference to the prevailing market price of the Shares. The Directors consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the best interests of the Company and the Shareholders as a whole, and that the Subscription Agreement is entered into upon normal commercial terms.

Analysis on the Subscription Price

In order to assess the fairness and reasonableness of the Subscription Price, we conducted the following analysis:

a) Share price performance

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 28 May 2021 to 24 March 2022, being the period from the date of listing of Shares up to and including the Last Trading Date (the “**Shares Review Period**”) together with Hang Seng Index, to illustrate the general trend and level of movement of the closing prices of the Shares:



Source: the Stock Exchange’s website

During the Shares Review Period, the highest and lowest closing prices of Shares as quoted on the Stock Exchange were HK\$47.00 and HK\$18.38 recorded on 3 June 2021 and 14 March 2022 respectively.

LETTER FROM GRAM CAPITAL

The closing prices of the Shares formed a general downward trend during the Shares Review Period. From the start of the Shares Review Period, the closing price of Shares was on an upward trend until it reached its peak of HK\$47.00 on 3 June 2021. After the closing price of Shares reaching the peak, the closing price of Shares followed a general downward trend until it bounced back to HK\$35.70 on 10 September 2021. The closing price of Shares fluctuated on a general decreasing trend thereafter until it reached HK\$23.00 on the Last Trading Date.

Despite the Subscription Price of HK\$20.71 is lower than the closing prices of Shares for the majority of the trading days during the Shares Review Period, the closing prices of the Shares formed a general downward trend during the Shares Review Period, which was generally in line with the movement of the Hang Seng Index.

b) Liquidity

Set out below are (i) the number of trading days; and (ii) the percentage of the Shares' average daily trading volume (the "**Average Volume**") as compared to the total number of issued Shares as at the Last Trading Date, during the Shares Review Period:

Month	No. of trading days in each month	% of the Average Volume to total number of issued Shares as at the Last Trading Date^(Note 1) %
2021		
May ^(Note 2)	2	1.48
June	21	0.19
July	21	0.12
August	22	0.11
September	21	0.09
October	18	0.05
November	22	0.11
December	22	0.10
2022		
January	21	0.08
February	17	0.09
March (to up and including the Last Trading Date)	18	0.26

Source: the Stock Exchange's website

Notes:

1. Based on 6,183,781,772 Shares as at the Last Trading Date.
2. Dealings in the Shares on the Main Board of the Stock Exchange commenced at 9:00 a.m. (Hong Kong time) on 28 May 2021.

LETTER FROM GRAM CAPITAL

We noted from the above table that the average daily trading volume of the Shares was thin during the Shares Review Period. The Average Volume was below 1% of the total number of the issued Shares as at the Last Trading Date for most of the months during the Shares Review Period.

Given the low liquidity of the Shares as illustrated above, it is reasonable to set the issue price of new shares at a discount to the closing price of the Shares as at the Last Trading Date as a discounted issue price will be more attractive to investor(s).

c) Comparables

As part of our analysis, we also identified subscription of new shares under specific mandate for cash consideration which (i) were not lapsed or terminated up to the Last Trading Date; and (ii) were not issuance of A shares, as announced by companies listed on the Stock Exchange during the six-month period from 25 September 2021 up to and including the Last Trading Date (the “**Comparables**”). We found 14 transactions which met the said criteria and they are exhaustive. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables.

Company name (Stock code)	Date of announcement	Premium/ (discount) of the subscription price to the average closing price per share for the five consecutive trading days prior to and including the date of the agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)	Premium/ (discount) of the subscription price to the average closing price per share for the 10 consecutive trading days prior to and including the date of agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)	Premium/ (discount) of the subscription price to the average closing price per share for the 10 consecutive trading days prior to and including the date of agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)
China Aoyuan Group Limited (3883) ^(Note)	27 September 2021	(1.90)	0.22	(5.43)
Coolpad Group Limited (2369)	4 October 2021	(17.65)	(18.37)	(18.60)
AUX International Holdings Limited (2080)	26 October 2021	1.61	1.61	1.12
Ausnutria Dairy Corporation Ltd (1717)	27 October 2021	13.67	17.06	24.24
Lingbao Gold Group Company Ltd. (3330)	11 November 2021	(13.27)	(11.64)	(11.09)
China Nuclear Energy Technology Corporation Limited (611)	14 November 2021	(6.17)	0.92	(0.45)

LETTER FROM GRAM CAPITAL

Company name (Stock code)	Date of announcement	Premium/ (discount) of the subscription price to the average closing price per share for the five consecutive trading days prior to and including the date of the agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)	Premium/ (discount) of the subscription price to the average closing price per share for the 10 consecutive trading days prior to and including the date of the agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)	Premium/ (discount) of the subscription price to the average closing price per share for the 10 consecutive trading days prior to and including the date of the agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)
		Premium/ (discount) of the subscription price to the closing price per share on the date of the agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)	Premium/ (discount) of the subscription price to the average closing price per share for the five consecutive trading days prior to and including the date of the agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)	Premium/ (discount) of the subscription price to the average closing price per share for the 10 consecutive trading days prior to and including the date of the agreement (or the last trading day if the date of the agreement was not a trading day or the agreement was entered into before trading hours) in relation to the respective subscription of new shares (%)
iDreamSky Technology Holdings Limited (1119)	28 November 2021	(9.34)	(8.87)	(7.89)
Hong Wei (Asia) Holdings Company Limited (8191)	16 December 2021	(10.98)	(12.26)	(18.89)
China South City Holdings Limited (1668)	31 December 2021	(17.39)	(14.93)	(3.39)
Wealthking Investments Limited (1140)	31 December 2021	15.00	18.56	23.66
Zall Smart Commerce Group Ltd. (2098)	18 January 2022	13.64	13.12	9.65
China Ruyi Holdings Limited (136)	25 January 2022	9.17	8.98	9.65
Beijing Enterprises Clean Energy Group Limited (1250)	14 March 2022	(7.69)	(8.57)	(6.80)
Towngas Smart Energy Company Limited (1083)	18 March 2022	(14.39)	(17.45)	(22.35)
	Maximum	15.00	18.56	24.24
	Minimum	(17.65)	(18.37)	(22.35)
	Average	(3.26)	(2.26)	(1.90)
	Median	(6.93)	(4.18)	(4.41)
The Subscription		(9.96)	(13.74)	(6.26)

Source: the Stock Exchange's website

Note: The relevant issuance was subsequent changed to specific mandate.

LETTER FROM GRAM CAPITAL

According to the above table, we noted the following:

- The subscription prices of the Comparables ranged from a discount of approximately 17.65% to a premium of approximately 15.00%, with average discount of approximately 3.26% to/over the respective closing prices of the shares on the date of agreement in relation to the respective subscription (the “**LTD Discount/Premium Market Range**”). The LTD Discount falls within the LTD Discount/Premium Market Range.
- The subscription prices of the Comparables ranged from a discount of approximately 18.37% to a premium of approximately 18.56% with average discount of approximately 2.26% to/over the respective average closing prices of the shares for the five consecutive trading days prior to and including the date of agreement in relation to the respective subscription of new shares (the “**5 Days Discount/Premium Market Range**”). The 5 Days Discount also falls within the 5 Days Discount/Premium Market Range.
- The subscription prices of the Comparables ranged from a discount of approximately 22.35% to a premium of approximately 24.24% with average discount of approximately 1.90% to/over the respective average closing prices of the shares for the 10 consecutive trading days prior to and including date of agreement in relation to the respective subscription of new shares (the “**10 Days Discount/Premium Market Range**”). The 10 Days Discount also falls within the 10 Days Discount/Premium Market Range.
- No less than half of the Comparables with subscription prices have discounts to their respective closing prices of the shares on the date of agreement in relation to the respective subscription of new shares or average closing prices of the shares for the five/10 consecutive trading days prior to and including the date of agreement in relation to the respective subscription of new shares (the “**Discount Subscription Prices Comparables**”).
- Among the Discount Subscription Prices Comparables, more than half of such comparables have a deeper discount as compared to the LTD Discount and 10 Days Discount and three out of seven of such comparables have a deeper discount as compared to the 5 Days Discount.
- The LTD Discount, 5 Days Discount and 10 Days Discount are below the average discount of the respective market ranges. However, we are of the opinion that the aforesaid facts do not indicate the Subscription Price to be exceptional in the market, given that the LTD Discount, 5 Days Discount and 10 Days Discount are within the respective market ranges as abovementioned. As such, we consider (i) the LTD Discount falls within the LTD Discount/Premium Market Range; (ii) the 5 Days Discount falls within the 5 Days Discount/Premium Market Range; and (iii) the 10 Days Discount falls within the 10 Days Discount/Premium Market Range to be factors in our analyses of the Subscription Price.

Despite that the Subscription Price of HK\$20.71 is lower than the closing prices of Shares during majority of the Shares Review Period, having considered the following factors, including:

- (i) the Subscription Price represents the Placing Price of HK\$20.71 per Placing Shares, which were placed to not less than six Placees who and whose respective ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, Independent Third Parties;

LETTER FROM GRAM CAPITAL

- (ii) the LTD Discount falls within the LTD Discount/Premium Market Range;
- (iii) the 5 Days Discount falls within the 5 Days Discount/Premium Market Range;
- (iv) the 10 Days Discount falls within the 10 Days Discount/Premium Market Range;
- (v) given the low liquidity of the Shares as illustrated above, it is reasonable to set the issue price of new shares at a discount to the closing price of the Share as at the Last Trading Date as a discounted issue price will be more attractive to investor(s); and
- (vi) the closing prices of the Shares formed a general downward trend during the Shares Review Period, which was generally in line with the movement of the Hang Seng Index,

we consider that the Subscription Price is fair and reasonable.

Ranking of the Subscription Shares:

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment of the Subscription Shares.

Closing of the Subscription:

Closing of the Subscription shall take place at 10.00 a.m. (Hong Kong time) on the date as the Company and Jingdong Technology Group Corporation agree in writing after the satisfaction of the conditions of the Subscription and before 30 September 2022 (or such later date as may be agreed between the parties).

Having reviewed and considered the terms of the Subscription Agreement in particular the key terms as listed above (including the Subscription Price being fair and reasonable; and no abnormal term observed), we are of the view that the terms of the Subscription are on normal commercial terms and are fair and reasonable.

3. Possible dilution effect on the shareholding interests of the public Shareholders

With reference to the shareholding table in the section headed “DILUTION EFFECT TO THE SHAREHOLDING STRUCTURE AS A RESULT OF THE SUBSCRIPTION” of the Board Letter, the shareholding interests held by the existing public Shareholders would be diluted by less than 2 percentage points as a result of the Subscription (assuming no Shares movement between the Latest Practicable Date and the completion of the Subscription). In this regard, taking into account (i) the reasons for and benefits of the Subscription; and (ii) the terms of the Subscription being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the existing public Shareholders as a result of the Placing and the Subscription (being immaterial) is justifiable.

LETTER FROM GRAM CAPITAL

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Subscription are on normal commercial terms and are fair and reasonable; and (ii) the Subscription is conducted in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Subscription and transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

** for identification purposes only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was US\$1,000,000 divided into 40,000,000,000 Shares of US\$0.000025 each.

As at the Latest Practicable Date, the issued and fully paid share capital of the Company was US\$158,357 divided into 6,334,281,772 Shares of US\$0.000025 each.

3. DISCLOSURE OF INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best of the knowledge of the Directors, as at the Latest Practicable Date, the following Director had interests in the Shares (within the meaning of Part XV of the SFO) of the Company which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which he was taken or deemed to have under such provisions of the SFO); (ii) entered in the register referred to in section 352 of the SFO pursuant thereto; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as adopted by the Company:

Interest in the Company

Name of Director	Nature of interest	Number of ordinary shares	Approximate % of holding ⁽¹⁾
Yui Yu (余睿)	Beneficial owner ⁽²⁾	5,900,000(L)	0.09
Richard Qiangdong Liu (劉強東)	Beneficial owner ⁽²⁾ ; Interest in a controlled corporation ⁽³⁾	4,030,057,805(L)	63.62
Nora Gu Yi Wu (顧宜)	Beneficial owner ⁽⁴⁾	21,859(L)	0.00
Carol Yun Yau Li (李恩祐)	Beneficial owner ⁽⁴⁾	21,859(L)	0.00
Liming Wang (王利明)	Beneficial owner ⁽⁴⁾	21,859(L)	0.00

Notes:

- (1) The percentages are calculated on the basis of 6,334,281,772 Shares in issue as at the Latest Practicable Date.
- (2) The beneficial ownership of the Directors listed here are pursuant to the exercise of options granted to them under the Pre-IPO ESOP (as defined in the Prospectus), subject to the conditions (including vesting conditions) of those options.

- (3) Jingdong Technology Group Corporation, which holds 3,930,871,100 Shares, is wholly-owned by JD.com. As of the Latest Practicable Date, Mr. Richard Qiangdong Liu is interested in approximately 76.1% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings, further details of which are set out in the section headed “Relationship with our Controlling Shareholders” in the Prospectus.
- (4) The beneficial ownership of the Directors listed here are pursuant to the vesting of the award shares granted to them under the Post-IPO Share Award Scheme (as defined in the Prospectus), subject to the conditions (including vesting conditions) of those award shares.
- (5) (L) denotes a long position in the Shares.

Interest in the underlying shares of associated corporations of the Company

The Company has been granted (i) a certificate of exemption from strict compliance with Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO) to the directors or chief executives of the Company who is/are also a director or chief executive of JD.com (the “**Common Directors/Chief Executives**”) with respect to their disclosure of interest, and short positions, in any shares in JD.com and associated corporations of the Company which are subsidiaries of JD.com (“**Associated Corporations**”), and (ii) a waiver from strict compliance with Practice Note 5 and paragraphs 41(4) and 45 of Part A of Appendix 1 to the Listing Rules such that the Common Directors/Chief Executives will not be required to disclose their interests and short positions in any shares or underlying shares in the Associated Corporations in accordance with Part XV of the SFO (collectively, the “**DI Waivers**”). Further details regarding the waiver and exemption in relation to disclosure of interests information (including the conditions of such waiver and exemption) are set out in the section headed “Waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance-Waiver and exemption in relation to disclosure of interests information” in the Prospectus.

Except as specifically noted, the following table sets forth the directors’ or chief executives’ beneficial ownership of JD.com’s Class A ordinary shares and Class B ordinary shares as of the Latest Practicable Date.

The calculations in the table below are based on 3,125,558,459 ordinary shares of JD.com outstanding as of the Latest Practicable Date.

Beneficial ownership is determined in accordance with the rules and regulations of the United States Securities and Exchange Commission (“U.S. SEC”). In computing the number of shares beneficially owned by a person and the percentage ownership and voting power percentage of that person, JD.com has included shares and associated votes that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares and associated votes, however, are not included in the computation of the percentage ownership of any other person. Ordinary shares held by a shareholder are determined in accordance with JD.com’s register of members.

Director and Executive Officer	Ordinary Shares Beneficially Owned				
	Class A Ordinary Shares	Class B Ordinary Shares	Total Ordinary Shares	% of Beneficial Ownership	% of Average Voting Power [#]
Richard Qiangdong Liu (劉強東)	25,174,550 ⁽¹⁾	408,007,423 ⁽¹⁾	433,181,973 ⁽¹⁾	13.8 ⁽¹⁾	76.1 ⁽²⁾⁽³⁾

Notes:

[#] For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of the Class A ordinary shares and Class B ordinary shares as a single class. Each holder of Class A ordinary shares is entitled to one vote per share and each holder of the Class B ordinary shares is entitled to 20 votes per share on all matters submitted to them for a vote. JD.com’s Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of shareholders of JD.com and other matters as may otherwise be required by law. Each Class B ordinary share is convertible at any time by the holder thereof into one Class A ordinary share.

Beneficial ownership information disclosed herein represents direct and indirect holdings of entities owned, controlled or otherwise affiliated with the applicable holder as determined in accordance with the rules and regulations of the U.S. SEC.

- (1) Represents (i) 6,974,550 Class A ordinary shares directly held by Max Smart Limited and 18,200,000 Class A ordinary shares Mr. Liu had the right to acquire upon exercise of options that shall have become vested within 60 days after the Latest Practicable Date, and (ii) 408,007,423 Class B ordinary shares directly held by Max Smart Limited. Max Smart Limited is a British Virgin Islands company beneficially owned by Mr. Liu through a trust and of which Mr. Liu is the sole director. The ordinary shares beneficially owned by Mr. Liu do not include 19,873,672 Class B ordinary shares held by Fortune Rising Holdings Limited, a British Virgin Islands company, as described in footnote (2) below.
- (2) The aggregate voting power includes the voting power with respect to the 19,873,672 Class B ordinary shares held by Fortune Rising Holdings Limited. Mr. Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited and he may be deemed to beneficially own the voting power with respect to all of the ordinary shares held by Fortune Rising Holdings Limited in accordance with the rules and regulations of the U.S. SEC, notwithstanding the facts described in note (3) below.
- (3) Fortune Rising Holdings Limited holds the 19,873,672 Class B ordinary shares 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. Fortune Rising Holdings Limited is a company incorporated in the British Virgin Islands. Mr. Liu is the sole shareholder and the sole director of Fortune Rising Holdings Limited.

The following table lists out the interests of Directors or chief executives (who are not entitled to the DI Waivers) in JD.com and JD Health International Inc., (“**JD Health**”), an associated corporation of the Company that is also a subsidiary of JD.com (i.e. a fellow subsidiary), as of the Latest Practicable Date:

Name of Director	Associated corporation	Nature of Interest	Number of shares/ underlying shares	% of interest in associated corporation
Yui Yu (余睿)	JD.com	Beneficial owner	1,107,772(L) ⁽¹⁾	0.04
Richard Qiangdong Liu (劉強東)	JD Health	Interest in controlled corporation; Beneficial owner	2,202,296,248(L) ⁽²⁾	68.94

Notes:

- (1) These interests comprise of Mr. Yu’s entitlement to receive shares in JD.com pursuant to restricted share units under the share incentive plan of JD.com.
- (2) These interests comprise of (i) 2,149,253,732 shares of JD Health directly held by JD Jiankang Limited which is wholly-owned by JD.com, and (ii) 53,042,516 underlying shares of JD Health in respect of the options granted to Mr. Liu. As of the Latest Practicable Date, Mr. Liu is interested in approximately 76.1% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings — further details of which are set out in the section headed “Relationship with our Controlling Shareholders” in the Prospectus.
- (3) (L) denotes a long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

Save for the foregoing, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of SFO.

Mr. Richard Qiangdong Liu serves as chairman of the board of JD.com, Inc.. Apart from the foregoing, no director or proposed director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in any business apart from the Group's business which competed or would be likely to compete, either directly or indirectly, with the Group's business.

5. DIRECTORS' AND EXPERT'S INTERESTS IN ASSETS

None of the Directors or the expert (as named in this circular) had any interest, direct or indirect, in any asset which had, since December 31, 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, been acquired or disposed of by or leased to any member of the Group or which were, as at the Latest Practicable Date, proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, excluding service contracts expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

7. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT SIGNIFICANT TO THE GROUP

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

8. EXPERT QUALIFICATION AND CONSENT

The qualification of the experts who have been named in this circular and have given opinions or advice which are contained herein is set out below:

Name	Qualification
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name, in the form and context in which they appear.

As at the Latest Practicable Date, Gram Capital was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, directly or indirectly, in any asset which had been, since December 31, 2021, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<https://ir.jdl.com>) from the date of this circular up to 14 days thereafter:

- (a) the Subscription Agreement; and
- (b) the written consent from the expert referred to under the paragraphs headed “Expert qualification and consent” in this appendix.

11. GENERAL

- (a) The English text of this circular and the accompanying proxy form shall prevail over the Chinese text in the case of inconsistency.
- (b) The company secretary of the Company is Mr. Ming King Chiu. He is a fellow of The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute.

The following are the particulars of the Director proposed to be re-elected at the EGM:

Dr. Xiande Zhao (趙先德), aged 60, is the professor of operations and supply chain management at China Europe International Business School (“CEIBS”). He is also the associate dean of CEIBS (Shenzhen Campus) and director of CEIBS-ZKH Center of Innovations in Supply Chain and Services.

From August 1990 to December 2012, Dr. Zhao has held various academic and administrative positions at Hampton University in the United States, City University of Hong Kong, Chinese University of Hong Kong and South China University of Technology in China. Dr. Zhao was ranked as one of the most influential researchers in operational supply chain management in Asia, he has published more than 200 articles in top journals and five books. His recent research interests include digital supply chain integration and innovations, business model innovations, and supply chain finance. In addition, he has been listed as one of the most cited Chinese scholars in business, management and accounting by Elsevier for many years. He has also won many top academic awards in China and abroad. In 2020, he was awarded the Fellowship of Decision Science Institute (DSI).

Dr. Zhao also held several positions in professional organizations including the founding president and permanent honorary president of Association for Supply Chain and Operations Management (ASCOM), and founding president of International Society for Information and Management Science (IMS). He also served as the president of the Asia Pacific Institute of Decision Sciences (APDSI). He is also a co-editor-in-chief, associate editor, area editor, and senior editor of several major international journals including the Journal of Operations Management, Production and Operations Management, and the Journal of Supply Chain Management.

Dr. Zhao obtained his bachelor’s degree in chemistry from Nankai University (南開大學) in June 1982 and obtained his master’s degree in chemistry from the University of Utah in June 1985. He also obtained his master of business administration in June 1987 and PhD in business administration from the University of Utah in June 1990.

Dr. Zhao has entered into an appointment letter with the Company for a term of three years commencing from April 7, 2022 subject to (i) retirement from office and re-election at the next general meeting of the Company and (ii) retirement by rotation and re-election at least once every three years, in accordance with the articles of association of the Company and the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix 14 of the Listing Rules. According to the terms of Dr. Zhao’s appointment, Dr. Zhao is entitled to an annual director’s fee of RMB250,000 in cash and the equivalent of RMB250,000 of options and/or awards under the rules of the share option scheme or share award scheme adopted by the Company from time to time and subject to the applicable vesting conditions, and Dr. Zhao is entitled to the reimbursement of all reasonable out-of-pocket expenses incurred in relation to the discharge of her duties in connection with the business of the Company. The director’s fee was recommended by the Remuneration Committee with reference to his duties and responsibilities with the Company, the Company’s remuneration policy and the prevailing market conditions.

Mr. Yang Zhang (張揚), aged 45, has been the chairman and the chief executive officer of TH Capital Industry Investment Fund (華控產業投資集團) since 2007. Mr. Zhang was a director and an associate professor at the Institute of Finance & Banking of Chinese Academy of Social Sciences (中國社會科學院) from 2000 to 2014. He has been the deputy-director of Research Management Committee of Tsinghua University (清華大學) Global PE Research Institute since 2018.

Mr. Zhang obtained his bachelor's degree in economics from Nankai University (南開大學) in July 1998, his master of science degree in finance from Aston Business School in August 1999, and his doctorate degree in finance from Chinese Academy of Social Sciences in July 2006. Mr. Zhang worked in the Tehua Post-Doctoral Programme from 2006 to 2009.

Mr. Zhang has entered into an appointment letter with the Company for a term of three years commencing from April 7, 2022 subject to (i) retirement from office and re-election at the next general meeting of the Company and (ii) retirement by rotation and re-election at least once every three years, in accordance with the articles of association of the Company and the Corporate Governance Code. According to the terms of Mr. Zhang's appointment, Mr. Zhang is entitled to an annual director's fee of RMB250,000 in cash and the equivalent of RMB250,000 of options and/or awards under the rules of the share option scheme or share award scheme adopted by the Company from time to time and subject to the applicable vesting conditions, and Mr. Zhang is entitled to the reimbursement of all reasonable out-of-pocket expenses incurred in relation to the discharge of her duties in connection with the business of the Company. The director's fee was recommended by the Remuneration Committee with reference to his duties and responsibilities with the Company, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed herein, in relation to the re-election of the above-mentioned Directors, the Board is not aware of any material matter that needs to be brought to the attention of the Shareholders and the information of the Directors disclosed above comply with the requirements under Rule 13.51(2) of the Listing Rules in all material respects.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of JD Logistics, Inc. (the “**Company**”) will be held at Building A, No. 18 Kechuang 11 Street, Yizhuang, Economic and Technological Development Zone, Daxing District, Beijing, People’s Republic of China, on Friday, May 13, 2022 at 10 a.m. for the following purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions of the Company (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circulars of the Company dated April 25, 2022):

ORDINARY RESOLUTIONS

1. To consider and, if thought fit, pass with or without modification the following resolution as an ordinary resolution:

“THAT

- (a) the subscription agreement (the “**Subscription Agreement**”) dated March 25, 2022 (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and entered into by the Company as issuer and Jingdong Technology Group Corporation as subscriber in relation to the subscription of 261,400,000 new Shares (the “**Subscription Shares**”) at the subscription price of HK\$20.71 per Share (corresponding to US\$2.65) and the transactions contemplated therein be and are hereby approved;
- (b) conditional upon, among other things, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subscription Shares, the directors of the Company be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares, subject to and in accordance with the terms and conditions set out in the Subscription Agreement. This specific mandate so granted is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company at, before or after the passing of this resolution; and
- (c) any one director of the Company be and is hereby authorised to sign, execute, perfect and deliver all such documents and deeds, and do all such acts, matters and things as are, in the opinion of such director of the Company, desirable or expedient to give effect to the Subscription Agreement, all the transactions contemplated thereunder and/or any matter ancillary or incidental thereto (including without limitation the allotment and issue of the

NOTICE OF EXTRAORDINARY GENERAL MEETING

Subscription Shares pursuant thereto), to agree to such variations, amendments or waivers to or of any of the provisions of the Subscription Agreement and all documents ancillary or incidental thereto as are, in the opinion of such director of the Company, not of a material nature and in the interest of the Company, and to effect or implement any other matter referred to in this resolution”;

2. To consider and, if thought fit, pass with or without modification the following resolution as an ordinary resolution:

“THAT

the re-election of Dr. Xiande Zhao (趙先德) as independent non-executive director of the Company be and is hereby confirmed and approved”; and

3. To consider and, if thought fit, pass with or without modification the following resolution as an ordinary resolution:

“THAT

the re-election of Mr. Yang Zhang (張揚) as independent non-executive director of the Company be and is hereby confirmed and approved.”

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

Hong Kong, April 25, 2022

Registered Office:

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Headquarters:

10th Floor, Building B
No. 18 Kechuang 11 Street
Yizhuang Economic and Technological Development Zone
Daxing District, Beijing
People's Republic of China

Room 302, 3rd Floor
Zhiheng Building,
E-Commerce Industrial Park,
Suyu District, Suqian,
People's Republic of China

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal place of business in Hong Kong:

Room 1901, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay,
Hong Kong

Notes:

- (1) All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Articles of Association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (2) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint any number of proxies (who must be individuals) to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
- (3) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the Register of Members in respect of the relevant joint holding.
- (4) In order to be valid, the proxy form together with a power of attorney or other authority, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, May 10, 2022 to Friday, May 13, 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, May 6, 2022.

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