

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

DISCLOSEABLE TRANSACTION

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

On August 23, 2023, the Group subscribed for the JPM Subscription, a wealth management product issued by JPM in the principal amount of US\$350 million (equivalent to approximately RMB2,520 million) with an expected annualized rate of return of 5.37%. Prior to the JPM Subscription, the Group had also subscribed for the Outstanding Subscription, a wealth management product issued by JPM in the principal amount of US\$300 million (equivalent to approximately RMB2,160 million), which remained outstanding as of the date of the JPM Subscription and the terms of which are identical to the JPM Subscription (except for the principal amount). Both the JPM Subscription and the Outstanding Subscription were fully redeemed on November 7, 2023. The Group used its internal resources for the JPM Subscription.

Basis of consideration

The Board confirmed that the consideration of the JPM Subscription was determined on the basis of commercial terms negotiated at arm's length between the Group and JPM, having considered (i) the then available surplus cash of the Group for treasury management purpose; (ii) the expected investment return and terms of the JPM Subscription; and (iii) the prevailing market interest rates and practices.

Reasons for and benefits of the JPM Subscription

The JPM Subscription was carried out by the Group for treasury management purposes in order to maximize the utilization of its surplus cash, with a view to achieving balanced yields whilst maintaining high liquidity and a low level of risks. Taking into account, among others, the low level of risks and the expected rates of return of the wealth management products, the Group considers that the JPM Subscription would provide the Group with better returns than the returns on deposits generally offered by commercial banks and increase the Group's overall earnings. The Company has monitored and managed the subscriptions closely and effectively and will continue to do so.

Having considered that the JPM Subscription had been classified as relatively low risk after assessment, and with reference to similar products in the market and their general rates of return, the Board was of the view that the terms of the JPM Subscription are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. The Group has implemented adequate and appropriate internal control procedures to ensure the JPM Subscription would not affect the working capital or the operations of the Group, and that such investment would be conducted on the principle of protecting the interests of the Company and its Shareholders as a whole.

Information on the parties

The Company is an investment holding company and is incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange (stock code: 2618). As a leading technology-driven supply chain solutions and logistics services provider in China, the Group offers a full spectrum of supply chain solutions and high-quality logistics services covering various industries to customers and consumers.

JPMorgan Chase & Co. (NYSE: JPM), a financial holding company incorporated in the U.S., is a financial services firm based in the U.S., with operations worldwide, which offers investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, JPM, and their respective ultimate beneficial owner(s), are third parties independent of the Company and its connected persons.

Listing Rules implications

As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the JPM Subscription were below 5%, the JPM Subscription did not constitute a discloseable transaction of the Company on a standalone basis.

Given that the JPM Subscription and the Outstanding Subscription were subscribed with JPM and the Outstanding Subscription remained outstanding as of the date of the JPM Subscription, pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the JPM Subscription shall be aggregated with the Outstanding Subscription.

Pursuant to the Listing Rules, as one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregated transaction amounts of the JPM Subscription and the Outstanding Subscription exceeded 5% but all of the ratios were below 25%, such transaction constituted discloseable transactions of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

The Company should have made an announcement in respect of the JPM Subscription as and when such obligations arose. The Company acknowledges that the notification and announcement in respect of the acquisition of the JPM Subscription as required under Chapter 14 of the Listing Rules had been delayed due to its unintentional oversight and was mainly caused by (i) the inadvertent error in setting transaction thresholds with reference to the market capitalization of the Company at a certain point in time as part of the Company’s internal control procedures in monitoring transactions and (ii) unfamiliarity of the relevant aggregation rules. The Company would like to emphasize that it has no intention to withhold any information from disclosure to the public as required under the Listing Rules and the incident was inadvertent and unintentional, and that it is a one-off incident and is not recurrent. The Company has always, and will continue to, put great emphasis on the importance of Listing Rules compliance and the risk assessment of its subscriptions for wealth management products.

As the Company became aware of its obligation to make disclosure pursuant to Chapter 14 of the Listing Rules, the Company sought relevant professional advice, conducted a comprehensive review of the Group’s subscriptions for wealth management products. The Company shall continue to enhance its internal control management and strictly control the supervision regarding compliance and risk control matters of its business operations to avoid the re-occurrence of similar incidents. In particular, the Company will (i) strengthen the coordination and reporting arrangements for notifiable transactions within the Group, (ii) designate specific employees to monitor the transaction amounts of any transaction subject to Chapter 14 of the Listing Rules, (iii) arrange more training on regulatory compliance matters relating to notifiable transactions to the Directors, senior management and the responsible staff on a regular basis to reinforce their understanding on the importance of compliance with the Listing Rules, (iv) enhance the measures within the Group to regularly review and check the size test calculations of transactions, and (v) continue to work closely with its legal adviser to ensure compliance with the Listing Rules.

DEFINITIONS

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

“Board”	board of Directors
“China” or “PRC”	the People’s Republic of China
“Company”	JD Logistics, Inc. (京东物流股份有限公司), an exempted company with limited liability incorporated in the Cayman Islands on January 19, 2012, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2618)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and consolidated affiliated entities

“JPM”	JPMorgan Chase & Co.
“JPM Subscription”	the subscription by the Group of a wealth management product (product name: JPM USD Liquidity LVNAV Capital) issued by JPM in the principal amount of US\$350 million, equivalent to approximately RMB2,520 million
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Subscription”	the subscription by the Group of a wealth management product issued by JPM in the principal amount of US\$300 million (equivalent to approximately RMB2,160 million), which remained outstanding as of the date of the JPM Subscription
“RMB”	Renminbi, the lawful currency of China
“Share(s)”	ordinary share(s) in the share capital of our Company with par value of US\$0.000025 each
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, April 26, 2024

As of the date of this announcement, the Board comprises Mr. Wei Hu as executive Director, Mr. Richard Qiangdong Liu as non-executive Director, and Ms. Nora Gu Yi Wu, Ms. Jennifer Ngar-Wing Yu, Mr. Liming Wang, Dr. Xiande Zhao and Mr. Yang Zhang as independent non-executive Directors.