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JDH 京东健康

JD Health International Inc.

京东健康股份有限公司

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

(Stock Codes: 6618 (HKD counter) and 86618 (RMB counter))

DISCLOSEABLE TRANSACTIONS IN RELATION TO THE SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Board announces that, between September 15, 2023 and November 28, 2023, the Group had subscribed for certain wealth management products offered by UBS and Morgan Stanley Smith Barney, respectively, the key terms of which are set out below.

1. UBS Subscriptions

UBS Subscription I

On November 6, 2023, the Group subscribed for a wealth management product offered by UBS in the principal amount of USD200 million, equivalent to approximately RMB1,436 million (the “**UBS Subscription I**”), with a fixed return at an annualized rate of 5.78% and the maturity date is November 6, 2025.

Prior to the UBS Subscription I, the Group had also subscribed for the following wealth management products which remained outstanding as at the date of the UBS Subscription I (“**UBS Outstanding Subscriptions**”), and the aggregate outstanding principal amount of the UBS Outstanding Subscriptions and the UBS Subscription I was US\$300 million (equivalent to approximately RMB2,140 million). Details of the UBS Outstanding Subscriptions are set out below.

No.	Subscription Date	Principal Amount Subscribed	Annualized Rate of Return	Maturity Date	Type of Product	Outstanding principal amount as of November 6, 2023
1.	September 9, 2022	US\$50 million	4.46%	December 28, 2023 ^(Note)	Wealth management product at amortized cost	US\$50 million (equivalent to approximately RMB348 million)
2.	June 12, 2023	US\$50 million	5.95%	June 14, 2024	Wealth management product at amortized cost	US\$50 million (equivalent to approximately RMB356 million)

Note: The product was redeemed on December 28, 2023

UBS Subscription II

On November 28, 2023, the Group subscribed for a wealth management product offered by UBS in the principal amount of USD150 million, equivalent to approximately RMB1,067 million (the “**UBS Subscription II**”, together with the UBS Subscription I, the “**UBS Subscriptions**”), the principal of which was guaranteed with a fixed return at an annualized rate of 5.53% and the maturity date is December 1, 2026.

The UBS Outstanding Subscriptions and UBS Subscription I remained outstanding as at the date of the UBS Subscription II. The Group used its internal resources for the UBS Subscriptions.

2. Morgan Stanley Smith Barney Subscription

On September 15, 2023, the Group subscribed for a wealth management product offered by Morgan Stanley Smith Barney in the principal amount of USD300 million, equivalent to approximately RMB2,154 million (the “**Morgan Stanley Smith Barney Subscription**”), with a floating return at an expected annualized rate of 5.50% and the maturity date was November 15, 2023. Prior to the Morgan Stanley Smith Barney Subscription, the Group had also subscribed for a wealth management product with Morgan Stanley Smith Barney in the principal amount of US\$200 million, equivalent to approximately RMB1,436 million on September 5, 2023 (“**Morgan Stanley Smith Barney Outstanding Subscription**”), which remained outstanding as at the date of the Morgan Stanley Smith Barney Subscription and the terms of which were identical to the Morgan Stanley Smith Barney Subscription (except for the principal amount).

Both the Morgan Stanley Smith Barney Subscription and the Morgan Stanley Smith Barney Outstanding Subscription were fully redeemed on November 15, 2023. The Group used its internal resources for the Morgan Stanley Smith Barney Subscription.

BASIS OF CONSIDERATION

The Board confirmed that each of the consideration of the UBS Subscriptions and Morgan Stanley Smith Barney Subscription was determined on the basis of commercial terms negotiated at arm’s length between the Company and each of UBS and Morgan Stanley Smith Barney, having considered (i) the then available surplus cash of the Company for treasury management purpose; (ii) the expected investment return and terms of each of the UBS Subscriptions and Morgan Stanley Smith Barney Subscription; and (iii) the prevailing market interest rates and practices.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

Each of the UBS Subscriptions and Morgan Stanley Smith Barney Subscription was carried out by the Group for treasury management purposes in order to maximize the utilization of its surplus cash received from its business operations, 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 each of the UBS Subscriptions and Morgan Stanley Smith Barney Subscription would provide the Group with better returns than the returns on deposits generally offered by commercial banks and increase the Company's overall earnings. The Company has monitored and managed the subscriptions closely and effectively and will continue to do so. Having considered that each of the UBS Subscriptions and Morgan Stanley Smith Barney Subscription had been classified as relatively low risk after careful 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 UBS Subscriptions and Morgan Stanley Smith Barney 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 UBS Subscriptions and Morgan Stanley Smith Barney Subscription would not affect the working capital or the operations of the Group, and that such investments would be conducted on the principle of protecting the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Company is an investment holding company and is incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange (stock codes: 6618 (HKD counter) and 86618 (RMB counter)). As a leading online healthcare platform, the Group is committed to becoming the go-to health management platform for everyone in China. With this aim, the Group continues to strengthen its business foundation and make strategic deployments in the online healthcare industry for the future. The Group's strategic position is to create a technology-driven platform that centers on the supply chain of pharmaceutical and healthcare products and strengthened by healthcare services, encompassing a user's full life span for all healthcare needs.

UBS

UBS is a licensed bank incorporated and domiciled in Switzerland and engages in a full range of financial services activities as a bank. UBS is part of UBS Group AG which is a global financial services provider incorporated in Switzerland. UBS Group AG is a company listed on both the SIX Swiss Exchange (SWX: UBS) and the New York Stock Exchange (NYSE: UBS).

Morgan Stanley Smith Barney

Morgan Stanley Smith Barney is part of Morgan Stanley (NYSE: MS) which is a leading global financial services firm providing a wide range of investment banking, securities, wealth management and investment management services. With offices in 42 countries, the firm's employees serve clients worldwide including corporations, governments, institutions and individuals.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of UBS and Morgan Stanley Smith Barney, 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 each of the UBS Subscriptions and Morgan Stanley Smith Barney Subscription were below 5%, the UBS Subscriptions and Morgan Stanley Smith Barney Subscription did not constitute a discloseable transaction of the Company on a standalone basis.

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

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

Pursuant to the Listing Rules, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the transaction amounts of each of (i) the UBS Subscription I and the UBS Outstanding Subscriptions (on aggregated basis); (ii) the UBS Subscription II and the UBS Outstanding Subscriptions and UBS Subscription I (on aggregated basis); and (iii) the Morgan Stanley Smith Barney Subscription and the Morgan Stanley Smith Barney Outstanding Subscription (on aggregated basis), exceeded 5% but all of the ratios were below 25%, the respective transactions 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 each of the UBS Subscriptions and Morgan Stanley Smith Barney Subscription as and when such obligations arose. The Company acknowledges that the notification and announcement in respect of the acquisition of each of the UBS Subscriptions and Morgan Stanley Smith Barney Subscription as required under Chapter 14 of the Listing Rules had been delayed due to its unintentional oversight. The Company's oversight was inadvertent and unintentional as it is the Group's normal course of business operations to utilize its surplus cash reserves to enhance the funds utilization efficiency and bring extra returns. 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. 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 and avoid occurrence of similar incidents in the future.

In order to prevent similar incident from occurring in the future and to facilitate and ensure ongoing compliance with the Listing Rules which the Company takes seriously, 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 of and 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”	the board of Directors of the Company
“Company”	JD Health International Inc. (京东健康股份有限公司), an exempted company with limited liability incorporated in the Cayman Islands on November 30, 2018, the Shares of which are listed on the Main Board of the Stock Exchange (stock codes: 6618 (HKD counter) and 86618 (RMB counter))
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“FVTPL”	fair value through profit or loss
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley Smith Barney”	Morgan Stanley Smith Barney LLC
“PRC”	the People’s Republic of China and, except where the context requires and only for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.
“RMB”	Renminbi, the lawful currency of PRC

“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UBS”	UBS AG, Singapore Branch
“USD” or “US\$”	U.S dollars, the lawful currency of the United States of America

By order of the Board
JD Health International Inc.
Mr. Enlin Jin
Executive Director

Hong Kong, April 26, 2024

As of the date of this announcement, the Board comprises Mr. Enlin Jin as the executive Director, Mr. Richard Qiangdong Liu and Mr. Qingqing Yi as non-executive Directors, and Ms. Ling Li, Dr. Jiyu Zhang, Mr. Xingyao Chen and Mr. Ying Wu as independent non-executive Directors.