

*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.*

**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 Code: 6618)**

## **CONNECTED TRANSACTION ACQUISITION OF ASSETS**

### **THE ACQUISITION**

On June 29, 2022, the Company (as purchaser) entered into the Sale and Purchase Agreement with JD.com (as vendor) pursuant to which JD.com has conditionally agreed to sell or procure the sale of by its relevant affiliates, and the Company has conditionally agreed to purchase or procure the purchase of by its relevant affiliates, the Assets, at a consideration of not exceeding US\$355.4 million (equivalent to approximately RMB2.38 billion).

### **LISTING RULES IMPLICATIONS**

Since JD.com is a controlling shareholder of the Company as at the date of this announcement, JD.com is a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company.

As the applicable percentage ratios in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder are more than 0.1% but less than 5%, the Sale and Purchase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **THE ACQUISITION**

On June 29, 2022, the Company entered into the Sale and Purchase Agreement with JD.com pursuant to which JD.com has conditionally agreed to sell or procure the sale of by its relevant affiliates, and the Company has conditionally agreed to purchase or procure the purchase of by its relevant affiliates, the Assets, at a consideration of not exceeding US\$355.4 million (equivalent to approximately RMB2.38 billion).

The terms of the Sale and Purchase Agreement are set out below:

**Date** : June 29, 2022

**Parties** : (1) the Company (as purchaser); and  
(2) JD.com (as vendor).

### **Subject matter**

JD.com has conditionally agreed to sell or procure the sale of by its relevant affiliates, and the Company has conditionally agreed to purchase or procure the purchase of by its relevant affiliates, the Assets.

### **Consideration and Terms of Payment**

The consideration for the Acquisition payable by the Company or its relevant affiliates under the Sale and Purchase Agreement will not exceed approximately US\$355.4 million (equivalent to approximately RMB2.38 billion), which consists of (a) an initial price of US\$329.1 million (equivalent to approximately RMB2.2 billion) (the “**Initial Price**”), which shall be the price for the Assets other than the Inventories; and (b) the value of the Inventories, which shall not exceed approximately US\$26.3 million (equivalent to approximately RMB176.1 million) (the “**Value of Inventories**”).

The Company shall pay (or procure the payment of by its relevant affiliates) the Initial Price to JD.com or its relevant affiliates on the Closing Date and the Value of Inventories on another date as agreed by both parties.

The Group intends to satisfy the above consideration by its internal resources.

### **Basis of consideration**

The consideration was determined after arm’s length negotiation between the Company and JD.com on normal commercial terms with reference to, among others, (i) the appraised value of the Assets other than the Inventories by an independent valuer as of April 27, 2022, being RMB2.2 billion; (ii) the fair value of the Inventories as of the Closing Date; (iii) synergy to be achieved by the Group for being able to offer wider range of products in the operation of its online pet hospital to enhance its pet-care services; and (iv) the factors set out in the section headed “Reasons for, and benefits of, the Acquisition” in this announcement.

### **Closing**

The closing of the Acquisition shall take place within seven days following the satisfaction or duly waiver of all conditions described in the Sale and Purchase Agreement or another date agreed by both the Company and JD.com. At closing or any other date as agreed by the parties, JD.com shall deliver or procure its affiliates to deliver the title and possession of the Assets.

## **Information of the Assets**

The Assets to be purchased by the Company or its affiliates pursuant to the Sale and Purchase Agreement include: (i) Business Contracts; (ii) Inventories; (iii) Operating Rights; and (iv) Assumed Liabilities.

As at April 27, 2022, the appraised value for the Assets other than the Inventories was RMB2.2 billion. The original acquisition costs of the Inventories held by JD.com or its relevant affiliates as at May 31, 2022 was approximately RMB71.9 million. As the quantity of Inventories to be transferred will be ascertained closer to the Closing Date, the book value of Inventories cannot be ascertained as at the date of this announcement. In any event, the Value of the Inventories will not exceed approximately US\$26.3 million (equivalent to approximately RMB176.1 million).

Based on the unaudited management accounts prepared by JD.com, the net profits before tax attributable to the Target Products for the financial years ended 2020 and 2021 are RMB61.6 million and RMB89.3 million respectively. As JD.com could not separate the income tax expenses incurred solely on the Target Products, the net profits after tax attributable to the Target Products cannot be accurately arrived at by JD.com.

## **Reasons for, and benefits of, the Acquisition**

In 2021, the Group has initially launched its online pet hospital and provided integrated online and offline pet cares to customers. To improve the quality of our service to the customers, we are committed to exploring diversified services in the areas of pet diet, disease prevention and veterinary medicine, healthcare advice, pet behavior training and more. We are dedicated to providing superior user experiences by integrating professional veterinary services and offering quality products to our customers. As such, the Group believes the Acquisition will enable it to: (i) further expand the product offerings by partnering with broader set of suppliers and third-party merchants transferred from JD Group in relation to the Target Products; (ii) form a more comprehensive ecosystem and provide one-stop solutions to fulfill user's pet-healthcare needs, upgrading the experience of customers and clients of the Group; and (iii) generate stable and sustainable revenue growth.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Company is an investment holding company and is incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange (stock code: 6618). As a leading online healthcare platform, the Group is committed to becoming the go-to health management platform for everyone. 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.

## **JD.com**

As of June 10, 2022, JD.com, through its wholly-owned subsidiary JD Jiankang Limited, is indirectly interested in 2,149,253,732 Shares, representing approximately 67.62% of the Company's total issued share capital.

JD.com is a controlling shareholder of the Company, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 9618) under Chapter 19C of the Listing Rules and the ADSs of which are listed on Nasdaq under the symbol "JD". JD.com is a leading supply chain-based technology and service provider. Its cutting-edge retail infrastructure seeks to enable consumers to buy whatever they want, whenever and wherever they want it. JD.com has opened its technology and infrastructure to partners, brands and other sectors, as part of its Retail as a Service offering to help drive productivity and innovation across a range of industries. As of March 31, 2022, Richard Qiangdong Liu, a non-executive director of the Company, held approximately 76.1% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.

## **LISTING RULES IMPLICATIONS**

Since JD.com is a controlling shareholder of the Company as at the date of this announcement, JD.com is a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company.

As the applicable percentage ratios in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder are more than 0.1% but less than 5%, the Sale and Purchase Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **GENERAL**

Richard Qiangdong Liu is deemed or may be perceived to have a material interest in the Sale and Purchase Agreement (given he is an employee of JD Group), and as a result has abstained from voting on the Sale and Purchase Agreement. Other than the aforesaid Directors, no other Directors have a material interest in the Sales and Purchase Agreement or are required to abstain from voting on the resolutions of the Board approving the transaction.

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

## DEFINITIONS

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

<b>“Acquisition”</b>	the acquisition of the Assets by the Company or its affiliates from JD.com or its affiliates under the Sale and Purchase Agreement
<b>“affiliate(s)”</b>	in relation to an entity, it means any other entity controlling and controlled by or under common control with such entity, and the term “control” means directly or indirectly holding the majority of the shareholding, voting rights or management rights. For the purpose of this announcement, the Group shall not be deemed as affiliates of the JD Group, and JD Group shall not be deemed as affiliates of the Group
<b>“Assets”</b>	(a) Business Contracts; (b) Inventories; (c) Operating Rights; and (d) Assumed Liabilities
<b>“Assumed Liabilities”</b>	the liabilities arising from the Business Assets on or after the closing
<b>“Board”</b>	the board of Directors
<b>“Business Assets”</b>	(a) Business Contracts; (b) Inventories; and (c) Operating Rights
<b>“Business Contracts”</b>	the rights and benefits arising on or after the closing in relation to the Subject Business of all contracts listed in the Sale and Purchase Agreement
<b>“Closing Date”</b>	within seven days following the satisfaction or duly waiver of all conditions described in the Sale and Purchase Agreement or another date agreed by both the Company and JD.com
<b>“Company”</b>	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 code: 6618)

<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“controlling shareholder(s)”</b>	has the meaning ascribed thereto under the Listing Rules
<b>“Director”</b>	the director(s) of the Company
<b>“Group”</b>	the Company and its subsidiaries and consolidated affiliated entities from time to time
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Inventories”</b>	inventories of the Target Products as of the Closing Date
<b>“JD.com”</b>	JD.com, Inc., one of the controlling shareholders of the Company, a company incorporated in the British Virgin Islands on November 6, 2006 and subsequently redomiciled to the Cayman Islands on January 16, 2014 as an exempted company registered by way of continuation under the laws of the Cayman Islands and the shares of which are listed on the Main Board (stock code: 9618) under Chapter 19C of the Listing Rules and the ADSs of which are listed on Nasdaq under the symbol “JD” and, where the context requires, includes its consolidated subsidiaries and consolidated affiliated entities from time to time
<b>“JD Group”</b>	JD.com and its subsidiaries and consolidated affiliated entities, excluding the Group
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Operating Rights”</b>	the rights to operate the Subject Business
<b>“RMB”</b>	Renminbi, the lawful currency of China
<b>“Sale and Purchase Agreement”</b>	the sale and purchase agreement dated June 29, 2022 entered into between the Company and JD.com in relation to the Acquisition
<b>“Share(s)”</b>	ordinary share(s) in the share capital of the Company with a par value of US\$0.0000005 each
<b>“Shareholders”</b>	holder(s) of the Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

“Subject Business”	the e-commerce business in relation to the sale, distribution and operation of the Target Products on jd.com
“Target Products”	pet-care related products falling into the categories of prescription drugs/prescription diet, pet nutrition, pet deworm, pet milk powder, pet mouth, ear and eye cleaning, etc.
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, June 29, 2022

*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 Mr. Xingyao Chen, Ms. Ling Li, Dr. Jiyu Zhang and Mr. Ying Wu as independent non-executive Directors.*