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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))

CHANGE IN USE OF PROCEEDS

References are made to (i) the prospectus of JD Health International Inc. (the “**Company**” or “**JD Health**”, and together with its subsidiaries and consolidated affiliated entities, the “**Group**”) dated November 26, 2020 (the “**Prospectus**”) and (ii) the interim report of the Company for the six months ended June 30, 2023 published on September 14, 2023 (“**2023 Interim Report**”). Unless otherwise defined, capitalized items used in this announcement shall have the same meanings as those defined in the Prospectus.

STATUS FOR USE OF NET PROCEEDS

The net proceeds from the Global Offering (following full exercise of the Over-allotment Option) were approximately RMB25.7 billion after deducting underwriting commissions and offering expenses (the “**Net Proceeds**”). As at the date of this announcement, the Company had utilized approximately RMB13.2 billion of the Net Proceeds, representing approximately 51.1% of the Net Proceeds. The unutilized Net Proceeds amount to approximately RMB12.6 billion (the “**Unutilized Net Proceeds**”), representing approximately 48.9% of the Net Proceeds. As at the date of this announcement and prior to the proposed change in the use of the Unutilized Net Proceeds as mentioned below in this announcement, the Net Proceeds have been used in a manner consistent with the disclosure in the Prospectus.

The table below sets forth the allocation and status of the utilization of the Net Proceeds as at the date of this announcement and the proposed change in the use of the Unutilized Net Proceeds:

Purpose	Net Proceeds (RMB million)	Utilized amount as at the date of this announcement (RMB million)	Unutilized amount as at the date of this announcement (RMB million)	Intended allocation of the Unutilized Net Proceeds after the Change in Use of Net Proceeds (RMB million)
Use for business expansion, including further developing our retail pharmacy business and online healthcare services, enhancing user growth and engagement and promoting brand awareness	10,288	8,992	1,296	9,010
Research and development	7,716	2	7,714	—
Potential investments and acquisitions or strategic alliances	5,144	2,233	2,911	2,911
Working capital needs and general corporate purpose	2,573	1,925	648	648
Total	<u>25,721</u>	<u>13,152</u>	<u>12,569</u>	<u>12,569</u>

For the reasons set out in the paragraph headed “Reasons for the Change in Use of Net Proceeds” below, the board (the “**Board**”) of directors (the “**Directors**”) of the Company, after careful consideration and detailed evaluation of the Company’s operations and business strategy, has resolved to change the intended use of the Unutilized Net Proceeds and re-allocate the unutilized portion for “Research and Development” to “Use for business expansion” (the “**Change in Use of Net Proceeds**”). Save for the Change in Use of Net Proceeds, the allocation and the expected timeline for the utilization of the other Net Proceeds remains unchanged, which will be used in the manner as disclosed in the Prospectus.

REASONS FOR THE CHANGE IN USE OF NET PROCEEDS

The Group has been continuously monitoring and assessing the use of the Net Proceeds. As at the date of this announcement, the Group had already utilized approximately 87.4% of the Net Proceeds that was allocated for “Use for business expansion”, meanwhile the Group had been able to support its research and development efforts with its internal resources. The Board considers that the Group’s internal resources, including but not limited to solid profit growth, stable cash inflow generated from operating activities as well as human resources will be sufficient to sustain its research and development efforts going forward. Therefore, taking into account the respective utilization rate of the Net Proceeds and the future development of the Group, the Board is of the view that the Change in Use of Net Proceeds is aligned with its business strategy and would allow the Company to utilise its financial resources in a more flexible way.

The Board considers that the Change in Use of Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole. Save as disclosed in this announcement, there are no other changes to the plan for utilizing the Net Proceeds.

The Board will continuously assess the plans for the use of the Unutilized Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for a better performance of the Group.

The shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, November 29, 2023

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.