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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))

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of JD Health International Inc. (the “**Company**” or “**JD Health**”) is pleased to announce the audited consolidated results of the Company, its subsidiaries and the consolidated affiliated entities (collectively, the “**Group**”) for the year ended December 31, 2024 (the “**Reporting Period**”). These annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

In this announcement, “we”, “us”, and “our” refer to the Company (as defined above) and where the context otherwise requires, the Group (as defined above). In addition, “**JD Group**” refers to JD.com, Inc. (NASDAQ: JD; HKEX: 9618 (HKD counter) and 89618 (RMB counter)) and its subsidiaries, including JD Logistics, Inc. (“**JD Logistics**”) (HKEX: 2618), and its consolidated affiliated entities, excluding the Group.

### **FINANCIAL HIGHLIGHTS**

	<b>Year ended December 31,</b>		<b>Year-over-year change (%)</b>
	<b>2024</b>	<b>2023</b>	
	<b>RMB’000</b>	<b>RMB’000</b>	
Revenue	<b>58,159,881</b>	53,529,941	8.6
Gross profit	<b>13,308,577</b>	11,865,336	12.2
Operating income <sup>(1)</sup>	<b>1,469,464</b>	630,848	132.9
Profit before income tax	<b>4,796,676</b>	2,693,348	78.1
Profit for the year	<b>4,157,014</b>	2,142,880	94.0
Non-IFRS operating income <sup>(2)</sup>	<b>2,599,064</b>	2,478,637	4.9
Non-IFRS profit for the year <sup>(2)</sup>	<b>4,792,278</b>	4,135,439	15.9

(1) Operating income consists of gross profit deducting fulfillment expenses, selling and marketing expenses, research and development expenses, general and administrative expenses, and impairment losses under expected credit loss (“**ECL**”) model, net of reversal, except for impairment losses of a certain asset that is non-operating in nature.

(2) We define “non-IFRS operating income” and “non-IFRS profit” as operating income and profit for the year, respectively, excluding certain reconciling items as set out in the section headed “Non-IFRS Measures”. We exclude these items because they are either non-operating in nature or they are not indicative of our core operating results and business outlook, or do not generate any cash outflows.

## CEO STATEMENT

To our shareholders:

In 2024, China strengthened its medical reform initiatives, propelling the healthcare industry's high-quality development. The government also introduced a series of policies to promote the silver economy, support new health consumption models and explore innovative service scenarios. We have observed a growing awareness and acceptance of Internet-based pharmacies among users, with e-commerce channels becoming a core growth driver for the out-of-hospital drug retail market. In terms of technological innovation, the widespread application of large language model (LLM) technology in medical services has led to significant advancements in the use of "Artificial Intelligence (AI) +" in healthcare scenarios.

JD Health is an industry-leading healthcare service provider. We are strategically positioned as a technology-driven platform centered on the pharmaceutical and healthcare product supply chain and strengthened by healthcare services, encompassing each user's full lifespan for all healthcare needs. In accordance with national policies and regulatory guidelines, we continue to build and advance our integrated online and offline healthcare service system. In 2024, JD Health made several innovative breakthroughs in pharmaceutical retail and healthcare services, amplifying the Company's social and industry impact. While comprehensively safeguarding user health, we proactively fulfill our social responsibilities, delivering sustainable value for both shareholders and society in our pursuit of high-quality, long-term development.

### **Advancing our omnichannel initiative and solidifying our position as the "first entry point for online health consumption"**

In 2024, JD Health comprehensively optimized its omnichannel strategy. While leveraging our strengths in direct sales, we also enhanced the synergy between our online marketplace and on-demand retail businesses, enriching product offerings and bringing users a more convenient and accessible health consumption experience.

In pharmaceutical retail, JD Health expanded its pharmaceutical supply while empowering brand innovation and digital upgrades, driving the industry's transformation and high-quality development. This reinforced our leading position as "the first online marketplace for new and specialty drug launches." With our mature product launch solutions, we helped pharmaceutical companies accelerate their new drugs' omnichannel expansion and provide patients with world-leading treatment options. We also collaborated with numerous pharmaceutical companies to explore in-depth cooperation across innovative services such as digital marketing and patient management, fostering a mutually beneficial, integrated and open ecosystem.

In health supplements and medical devices, we deepened strategic cooperation with our brand partners, proactively expanding into niche market segments for shared growth. We leveraged JD Health's high-quality healthcare service capabilities to empower brands and optimize the user shopping experience, providing consumers with greater peace of mind when making purchases. In 2024, JD Health distributed consumption vouchers for seniors on behalf of governments in Sichuan, Guangdong, Henan, and other regions. Also, by offering a wide range of high-quality senior-oriented medical devices, we effectively addressed seniors' diverse health needs.

During the Reporting Period, JD Health fully upgraded the instant delivery service experience, bringing delivery in as fast as 9 minutes to more consumers nationwide. Furthermore, we quickly responded to medical insurance policy guidance by enabling real-time, insurance reimbursement for online medical purchases. In 2024, we rapidly expanded this service to 18 cities across China following its launch in Beijing, serving hundreds of millions of insured users nationwide. We also continued to explore innovative upgrades in the pharmaceutical retail model. In October 2024, our JD Pharmacy offline stores commenced operation in Beijing, providing local users with professional services, premium experiences, and affordable healthcare products. Additionally, we launched our first self-service drug dispenser in Beijing, which supports the sale and delivery of over a thousand medications to meet consumers' daily needs 24/7.

Overall, our omnichannel initiative broadened consumers' health consumption options, making high-quality health products and services more readily accessible. It also enhanced the purchasing experience, ensuring greater convenience and reliability across users' health consumption practices.

### **Focusing on the “Consultation + Examination + Diagnosis + Pharmaceutical” closed-loop model to establish a benchmark for healthcare innovation**

Over the past year, JD Health continued to build its integrated healthcare service system, deeply assimilating online and offline services and products. By advancing our closed-loop “Consultation + Examination + Diagnosis + Pharmaceutical” business model, we have effectively expanded the boundaries of online healthcare services, further enhancing the user experience across online medical consultation and pharmaceutical purchases and maximizing the value of the “Internet + Healthcare” ecosystem.

As the largest Internet-based healthcare platform in China, JD Health Online Hospital remained dedicated to enhancing its service experience in 2024. For example, doctors can now issue test orders electronically during online consultations. After patients book the corresponding testing services on the platform, nurses or riders collect samples in patients' homes, and test results are typically available within an average of 3 hours. As of December 31, 2024, we offered 149 rapid testing products, serving 12 major cities across China and a total population of over 150 million. Additionally, we introduced nearly 40 types of home care services provided by health professionals including wound care, blood tests and diagnostics, post-operative care, and medical escort services.

We have also made innovative breakthroughs in our offline businesses over the past year, further diversifying local medical and healthcare service models. Notably, we officially opened JD Health's “Zhi Ye Tang” (之業堂) Traditional Chinese Medicine (TCM) Clinic, offering users medical consultations, TCM wellness services and professional orthopedic services. JD Health also established several offline examination and polyclinic centers, providing local users with a wide range of convenient and professional healthcare services.

### **Taking the lead in achieving the large-scale application of healthcare LLMs to drive the digital and intelligent development of the industry**

JD Health has outlined a clear long-term plan for implementing AI in healthcare scenarios. In 2024, JD Health developed and deployed an AI-powered service solutions tailored to various medical service scenarios, establishing the most comprehensive ecosystem through LLM applications in the industry.

Leveraging LLMs, we have successively launched several AI-based healthcare services, including a smart health assistant, “Kangkang” (康康), an AI therapist, “Small Universe for Chatting and Healing” (聊愈小宇宙), and a mobile blood pressure measurement service. These tools quickly provide users with accurate health advice, reshaping user interaction through technology. Our goal is to create a unified digital health gateway that seamlessly connects users with high-quality healthcare service resources. For doctors, we upgraded the “Smart Doctor Assistant” (智能医生助手) tool to support intelligent clinical research upgrades. We also partnered with the First Affiliated Hospital of Wenzhou Medical University to create the next generation hospital information system, improving hospital operational management and patient medical experiences. Currently, we are refining our LLM-based smart assistants for doctors and digital human products, bringing a brand-new experience to the entire healthcare chain and promoting “technology inclusivity” to drive “healthcare inclusivity.”

Looking ahead to 2025, we will remain deeply committed to our business philosophy of “trust-based value creation centered on customers’ health.” With a firm and steady approach, we will consistently drive business innovation and enhance efficiency, ensuring that every investment translates into tangible user value and shareholder returns. By focusing on cost, efficiency and user experience improvements, we will continue to strengthen our leadership across the pharmaceutical and healthcare supply chain and build a more efficient, more collaborative ecosystem alongside our industry partners.

**Enlin Jin**

*Chief Executive Officer*

March 6, 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The year 2024 was pivotal for implementing the guiding principles of the 20th CPC National Congress. As the adoption of digital intelligence technologies in “Internet + Healthcare” scenarios increases, a broader range of users is gaining access to more professional, faster, and safer integrated healthcare services both online and offline.

In terms of macroeconomic policy, the State has actively promoted the development of “health consumption” over the past year. The State Council’s Opinion on Promoting the High-Quality Development of Service Consumption (《國務院關於促進服務消費高質量發展的意見》) calls for the cultivation and expansion of health consumption, including next-generation service offerings such as health examinations, consultations and management, as well as improvements in medical insurance payment policies for “Internet +” healthcare services. From the perspective of industry policy, the National Healthcare Security Administration has adopted a “public price comparison” mechanism, which strengthens the supervision of unfair drug pricing by enabling comparisons between offline retail prices and online offerings. This move underscores the social and user value of online pharmaceutical and health consumption. Meanwhile, the National Health Commission issued the Notice on the Reference Guidance for Artificial Intelligence Application Scenarios in the Healthcare Industry (《衛生健康行業人工智能應用場景參考指引的通知》), which specifies the active promotion and innovative development of “AI +” in the healthcare industry.

It is evident that the State’s acceleration of the development of new types of health consumption and AI applications in medical scenarios is driving the industry’s transformation, highlighting the growing potential of “Internet + Healthcare.” Our business sustained high-quality growth during the Reporting Period, with total revenue reaching RMB58.2 billion, representing year-over-year growth of 8.6%. As of December 31, 2024, our annual active users reached 183.6 million and the average daily online consultation volume surpassed 490,000 in 2024.

### Retail pharmacy

During the Reporting Period, we continued to strengthen our direct sales business and enhance the competitiveness of our online marketplace and on-demand retail business. This has allowed us to better leverage the synergistic strengths of these three business models and further open our ecosystem to pursue shared growth with our partners. By consistently enriching our product offerings and upgrading the service experience, we have built trust and loyalty among a broader range of users.

## *Direct sales and online marketplace*

Our direct sales business is the core component of our retail pharmacy business. In 2024, we continued to extend our lead in the direct sales business by deepening cooperation with pharmaceutical companies and health product suppliers and improving operational efficiency. We established a comprehensive supply chain network to reinforce our industry-leading pharmaceutical and healthcare supply chain capabilities, offering users an ever-widening range of products. Additionally, we increased support for platform merchants by enhancing the synergies between our online marketplace and direct sales business to improve users' health consumption experience. As of December 31, 2024, the number of our third-party merchants exceeded 100,000.

During the Reporting Period, JD Health collaborated with numerous global pharmaceutical companies to deepen cooperation across new drug launches, omnichannel expansion, digital marketing initiatives and more. We continued to consolidate our leading position as “the first online marketplace for new and specialty drug launches” in 2024, facilitating online debuts for nearly 30 new and specialty drugs. Notable examples include Mounjaro®, a dual-targeted innovative medicine for type 2 diabetes and weight control developed by Eli Lilly, Tarlige®, an innovative drug for pain treatment developed by Daiichi Sankyo Company Limited, and FABHALTA® developed by Novartis. In addition, JD Health continued to strengthen its partnerships with global pharmaceutical companies, including Merck, Organon, Teva, Merck Sharp & Dohme, Haleon, and Pfizer, to explore innovations in supply chain services, patient services, and digital marketing services, among other areas.

During the Reporting Period, JD Health entered into strategic cooperation agreements with brands including Swisse, Inne, Move Free, Yan Palace, GNC, and WonderLab, expanding partnerships across collaborative product development, omnichannel cooperation, and precise marketing to drive comprehensive growth in brand influence, user traffic, and sales. Additionally, we introduced quality standards for several supplement and nutrition products, covering 15 major categories, including cordyceps sinensis, ginseng, protein powder, and probiotics. This initiative aims to better assist customers in discovering products that meet their personalized needs while streamlining the product selection process.

JD Health continues to maintain its strong market leadership position in medical device categories. With a focus on chronic disease management and home care scenarios, we further expanded our product offerings in smart monitoring and respiratory therapy devices. Furthermore, we assisted local governments in distributing consumption vouchers in 19 regions across China, including Sichuan, Guangdong, and Henan provinces. By providing a wide range of high-quality senior-oriented medical devices, we effectively catered to the diverse health needs of China's senior population.



Over the past year, JD Health consistently enhanced its platform’s service capabilities by building the largest online professional team of licensed pharmacists and nutritionists in China. This has enabled us to provide users with customized and precise nutritional health consulting services while elevating the shopping experience and user satisfaction. For brand merchants, we jointly staged nearly 40 brand co-marketing activities to explore new scenarios such as sports nutrition and family essentials. We launched marketing IP events like “Super Brand Day” (超級品牌日) and “Health New Frontier” (健康新越界), attracting marketing inputs and driving win-win outcomes for both JD Health and our brand partners. We successfully launched a marketing campaign for By-Health involving an innovative collaboration with online variety shows, enabling brands to further expand their user base and boost sales volume. During the promotional period, this customized marketing campaign led to a doubling of the sales volume of promoted products and a 90% monthly sequential increase in new users. Furthermore, we refined our merchant operation strategy, increasing support for small and medium-sized merchants and helping them quickly acquire basic operational capabilities with dedicated operation teams. We also introduced differentiated onboarding policies, optimized traffic distribution efficiency, and offered specialized sales growth support for new merchants.

### ***On-demand retail and omnichannel initiative***

During the Reporting Period, we stepped up our efforts in on-demand retail to accelerate the development of our innovative omnichannel initiatives. We continued to expand online medical insurance payment service coverage, bringing this convenient service to more insured people nationwide. During the Reporting Period, we successively launched the “online drug purchases through individual medical insurance accounts” service in 18 cities, including Shanghai, Beijing, Guangzhou, Shenzhen, Foshan, Chengdu, Zhengzhou, Shenyang, and Tianjin. This service is now available in over 3,000 medical insurance-designated pharmacies nationwide, serving a population of over 100 million.

Furthermore, JD Health remained committed to upgrading the integrated online and offline service system, achieving improvements in both the experience and fulfillment efficiency of its omnichannel business model. During the Reporting Period, we opened several offline JD Pharmacy stores in Beijing and comprehensively transformed the daily operations and management of these stores, innovatively creating a brand-new offline pharmacy consumption and service experience. In addition, with the support of relevant government authorities, we debuted our first self-service drug dispenser in Haidian District, Beijing. In the future, we will continue to explore more cost-effective offline business models to improve the customer experience and better serve local residents’ needs for emergency medicines and commonly-used healthcare products.

## **Healthcare services**

In 2024, we maintained our user-centric approach to health in everything we do. To that end, we explored innovative healthcare service models to meet users' multi-level health needs, optimizing the Internet-based medical service ecosystem and upgrading the at-home service experience. Moreover, we accelerated the application of large language models in various service scenarios to offer users a more professional, convenient, and secure integrated online and offline medical and health service experience.

### ***Integrated online and offline medical services***

During the Reporting Period, we continued to consolidate our industry leadership in online healthcare services, pioneering our closed-loop “Consultation + Examination + Diagnosis + Pharmaceutical” service model to offer a seamless, one-stop user experience. As of December 31, 2024, JD Health Online Hospital's average daily online consultation volume had exceeded 490,000.

We also continued to elevate our online medical specialty capabilities over the past year. In terms of mental health support, we conducted clinical research in cooperation with Renmin Hospital of Wuhan University, launching the “automatic medical record generation system based on multi-modal LLM and AI technologies” project to improve the efficiency and accuracy of mental outpatient services. Additionally, we cooperated with leading domestic mental and psychological specialty medical institutions, such as Shanghai Mental Health Center, Peking University Sixth Hospital, the Second Xiangya Hospital of Central South University, and Wuhan Mental Health Center, to jointly initiate a series of popular science education projects aimed at raising public awareness of mental health and increasing access to online support services. In dermatology, we staged an AI patient management competition, inviting more than 120 medical experts and over 6,000 patients to explore the innovative application of LLM technology in diagnosis, personalized treatment plans, and post-diagnosis follow-up services.

We have always regarded the quality of medical services as the cornerstone of our development. During the Reporting Period, JD Health Online Hospital's Medical Quality Management Committee issued a total of 265 diagnosis and treatment standards and 16 core medical quality and safety management regulations. These efforts have established a more comprehensive, scientific, and efficient online medical quality management system.

Finally, we actively expanded our at-home rapid testing service offerings and network coverage during the Reporting Period. We offered users in 12 cities a selection of 149 home testing service products, providing diagnostic and testing experiences of the same quality as offline hospitals. During online consultations, doctors issue electronic examination orders according to the patient's condition. Subsequently, a nurse may visit to collect blood samples or a rider may pick up testing samples. Doctors can then issue prescriptions based on the test results and users in need of medication can purchase pharmaceuticals online for a one-stop medical service experience. During the Reporting Period, we further extended our service offerings with nearly 40 home nursing care services provided by professional nursing teams upon request, including blood tests and diagnostics, wound care, and medical escort services. In addition, we offered home medical device set-up and support services in over 30 cities nationwide, covering nearly 1,500 SKUs under nine major categories, including blood glucose meters and oxygen generators.



## ***Smart healthcare solutions and digital health***

During the Reporting Period, we capitalized on the “Jingyi Qianxun” (京醫千詢) LLM for medical and healthcare applications and the industry’s most extensive set of online healthcare practice scenarios to develop a comprehensive suite of products and solutions for users, medical professionals, and medical institutions. These initiatives have promoted the in-depth integration and practical application of our healthcare LLM in diverse healthcare scenarios.

For users, we rolled out a series of service products including our AI health assistant “Kangkang” (康康), AI therapist “Small Universe for Chatting and Healing” (聊愈小宇宙), and a mobile blood pressure measurement product, aiming to establish a centralized user gateway to our online medical service ecosystem. For doctors, we developed a doctor assistant service product to facilitate clinical decision-making, intelligent patient management, and clinical research. In terms of hospital scenarios, we have undertaken intelligent upgrades to enhance in-hospital operational processes and create a more convenient experience for patients. Among these innovations, one notable achievement is the successful development and ongoing promotion of an intelligent hospital solution in collaboration with the First Affiliated Hospital of Wenzhou Medical University.

## **Public welfare and corporate social responsibility**

JD Health continued to capitalize on its strengths in supply chain management and medical services during the Reporting Period to steadily advance public welfare initiatives focused on rare diseases and medical social work. Additionally, we launched several innovative public welfare programs, including two centered on children’s mental health and expired medicine recycling.

The “JD Health Rare Diseases Care Program” (京東健康罕見病關愛計劃) has now entered its third year of operation. Over this time, it has assisted a cumulative total of 637 patients and disbursed over RMB6 million in funds and donated supplies. Furthermore, we launched the “Medical Station” (醫心驛站) initiative with Peking Union Medical College Hospital and Peking University First Hospital to provide medical support for over 20,000 patients in need. Relying on our mature and highly efficient self-built supply chain operation system, JD Health also initiated the “Expired Medicine Recycling Public Welfare Project” (過期藥回收公益項目). A total of over 57,000 users nationwide have placed orders on JD Health’s platform for the disposal of expired medicines in their households. We have processed medicine recycling orders with a cumulative weight of 11 tons, creating a wide-reaching social impact.

## **Prospects**

As an industry-leading healthcare service provider, we are deeply committed to enhancing our core capabilities across the pharmaceutical and healthcare supply chain and healthcare services. By harnessing the power of technology and fostering robust industry-wide collaborative ecosystems, we provide an ever-growing number of users with more accessible, convenient, and affordable healthcare products and services.

In the days ahead, we will continue to reinforce our retail pharmacy operations' strengths by maximizing the ecological synergy among our direct sales, online marketplace and omnichannel initiative. By fortifying our industry-leading omnichannel, full-scenario healthcare supply chain network, we will deepen trust among our brand and merchant partners, significantly enhance the accessibility of healthcare products, and elevate user experience, thereby maintaining and expanding our leading market share, particularly in core product categories. We also remain committed to driving innovation in healthcare service models. Our focus is on forging connections with a broader array of healthcare service providers and incorporating the expertise of doctors, pharmacists, nutritionists, and other professionals to continuously improve the integrated online and offline healthcare service system. Meanwhile, we are strategically elevating technological innovation and empowering users, medical professionals, and business partners through improved digital experiences and intelligent solutions, thus accelerating the realization of healthcare inclusivity.

2025, the concluding year of China's "14th Five-Year Plan," holds great promise. We firmly believe that, driven by growth-promoting policies, surging consumer demand for healthcare and the ongoing implementation and advancement of medical technologies, the "Internet + Healthcare" sector's development potential is on track to be further unlocked. JD Health will uphold its business philosophy of "trust-based value creation centered on customers' health" to propel the development of an integrated online and offline healthcare ecosystem. Together, we will foster a brighter shared future for consumers, the industry, our partners, society and our environment.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue increased by 8.6% from RMB53.5 billion in 2023 to RMB58.2 billion in 2024. The increase in our total revenue was primarily due to an increase by 6.9% in products revenue from sales of pharmaceutical and healthcare products from RMB45.7 billion in 2023 to RMB48.8 billion in 2024. Such growth on products revenue was primarily driven by an increase in the number of active user accounts and additional purchases from user accounts, the increasing online penetration of pharmaceutical and healthcare products sales, and the enrichment in product offering.

Service revenue from online marketplace, digital marketing and other services increased by 18.9% from RMB7.9 billion in 2023 to RMB9.4 billion in 2024. The increase in our service revenue was primarily due to an increase in digital marketing service fees primarily attributable to an increase in the number of advertisers on our platform, in line with the continuous growth of transactions in our platform.

### **Cost of revenue**

Our cost of revenue increased by 7.6% from RMB41.7 billion in 2023 to RMB44.9 billion in 2024. The increase was primarily due to an increase in the sales volume of our pharmaceutical and healthcare products through JD Pharmacy, which was in line with the growth of our retail pharmacy and healthcare business.

### **Gross profit and gross profit margin**

As a result of the foregoing, we recorded a gross profit of RMB11.9 billion in 2023, representing a gross profit margin of 22.2%, and a gross profit of RMB13.3 billion in 2024, representing a gross profit margin of 22.9%. The increase in the gross profit margin was primarily due to changes in the revenue mix.

### **Fulfillment expenses**

Our fulfillment expenses increased by 14.1% from RMB5.3 billion in 2023 to RMB6.0 billion in 2024. The increase was primarily due to (i) an increase in expenses of logistics and warehousing services as a result of an increase in the usage of logistics services along with more products sales and warehousing services as more warehouses were utilized and (ii) an increase in employee benefit expenses, which were in line with the continued growth of our business. Fulfillment expenses as a percentage of revenue increased from 9.9% in 2023 to 10.4% in 2024.

### **Selling and marketing expenses**

Our selling and marketing expenses increased by 14.8% from RMB2.7 billion in 2023 to RMB3.0 billion in 2024. The increase was primarily due to (i) an increase in expenses of promotion and advertising, and (ii) an increase in expenses of technology and traffic support services provided by JD Group. Selling and marketing expenses as a percentage of revenue increased from 5.0% in 2023 to 5.2% in 2024.

## **Research and development expenses**

Our research and development expenses increased by 8.5% from RMB1.2 billion in 2023 to RMB1.3 billion in 2024. The increase was primarily attributable to (i) an increase in employee benefit expenses for employees involved in research and development activities, and (ii) an increase in expenses of technology and traffic support services provided by JD Group. Research and development expenses as a percentage of revenue remained stable as 2.3% in 2023 and 2024, respectively.

## **General and administrative expenses**

Our general and administrative expenses decreased by 29.0% from RMB2.0 billion in 2023 to RMB1.4 billion in 2024, primarily attributable to a decrease of share-based payment expenses. General and administrative expenses as a percentage of revenue decreased from 3.7% in 2023 to 2.4% in 2024.

## **Finance income**

Our finance income increased by 0.6% from RMB1.9 billion in 2023 to RMB2.0 billion in 2024, primarily due to an increase of interest earnings from bank balances, term deposits and wealth management products at amortized cost under other assets.

## **Income tax expense**

Our income tax expense increased by 16.2% from RMB550.5 million in 2023 to RMB639.7 million in 2024, primarily due to the increase of taxable income and the impacts of deferred income tax.

## **Profit for the year**

As a result of the foregoing, we generated a profit of RMB2.1 billion in 2023 and RMB4.2 billion in 2024.

## **Non-IFRS Measures**

To supplement our condensed consolidated financial statements, which are presented in accordance with IFRS Accounting Standards (the “**IFRSs**”), we also use non-IFRS profit as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. We believe non-IFRS profit facilitates comparisons of operating performance from period to period and from company to company by eliminating potential impacts of items which our management considers not indicative of our core operating performance such as non-cash or nonrecurring items, and certain impact of investment transactions.

We believe non-IFRS profit provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of non-IFRS profit may not be comparable to similarly titled measures presented by other companies. The use of non-IFRS profit has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRSs.

We define “non-IFRS operating income” as operating income for the period, excluding share-based payment expenses for the period. We exclude this item because it is non-operating in nature, not indicative of our core operating results and business outlook, and it does not generate any cash outflows. Our operating income was RMB1,469.5 million for the year ended December 31, 2024, compared to RMB630.8 million for the year ended December 31, 2023. Our non-IFRS operating income was RMB2,599.1 million for the year ended December 31, 2024, compared to RMB2,478.6 million for the year ended December 31, 2023.

The following table reconciles the most directly comparable financial measure, which is profit for the year, calculated and presented in accordance with IFRSs, to the non-IFRS profit for 2024 and 2023:

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Reconciliation of profit to non-IFRS profit:</b>		
Profit for the year	<b>4,157,014</b>	2,142,880
Add:		
Share-based payment expenses	<b>1,129,600</b>	1,847,789
— <i>Fulfillment expenses</i>	<b>94,152</b>	126,464
— <i>Selling and marketing expenses</i>	<b>25,611</b>	40,286
— <i>Research and development expenses</i>	<b>80,184</b>	106,463
— <i>General and administrative expenses</i>	<b>929,653</b>	1,574,576
Net (gains)/losses related to investments <sup>(1)</sup>	<b>(624,269)</b>	222,920
Tax effects on non-IFRS adjustments	<b>129,933</b>	(78,150)
	<b>4,792,278</b>	4,135,439

(1) Including gains or losses from fair value changes on equity investments and related financial instruments measured at fair value, and impairment losses of assets associated with joint ventures.



## Liquidity and capital resources

For the year ended December 31, 2024, we funded our cash requirements primarily from cash generated from operating activities. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB15.0 billion and RMB22.6 billion as of December 31, 2023 and 2024, respectively. We had cash and cash equivalents, restricted cash, term deposits recognized in term deposits and other assets, and wealth management products recognized in financial assets at FVTPL and other assets of RMB53.7 billion and RMB59.4 billion as of December 31, 2023 and 2024, respectively.

The following table sets forth our cash flows for the years indicated:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Net cash generated from operating activities	4,332,367	4,604,778
Net cash generated from/(used in) investing activities	3,146,444	(8,022,885)
Net cash used in financing activities	(45,608)	(117,202)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	7,433,203	(3,535,309)
Cash and cash equivalents at the beginning of the year	15,037,033	18,717,724
Effects of foreign exchange rate changes	158,636	(145,382)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>22,628,872</b>	<b>15,037,033</b>

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities and the net proceeds received from the Global Offering (following full exercise of the Over-allotment Option as defined in the prospectus of the Company dated November 26, 2020 (the “**Prospectus**”)).

### *Net cash generated from operating activities*

In 2024, net cash generated from operating activities was RMB4.3 billion, which was primarily attributable to the profit for the period of RMB4.2 billion, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payment expenses of RMB1.1 billion, offset by finance income of RMB2.0 billion and certain other items of RMB0.5 billion, and (ii) net changes in working capital, which primarily resulted from an increase in certain current assets of RMB0.6 billion, offset by an increase in certain current liabilities of RMB1.2 billion. In addition, interest received was RMB1.6 billion, offset by income tax paid of RMB0.7 billion.

In 2023, net cash generated from operating activities was RMB4.6 billion, which was primarily attributable to the profit for the year of RMB2.1 billion, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payment expenses of RMB1.8 billion, offset by certain other items of RMB1.0 billion, and (ii) net changes in working capital, which primarily resulted from a decrease in certain current assets of RMB2.0 billion, offset by a decrease in certain current liabilities of RMB1.8 billion. In addition, interest received was RMB1.9 billion, offset by income tax paid of RMB0.4 billion.

#### *Net cash generated from/(used in) investing activities*

In 2024, net cash generated from investing activities was RMB3.1 billion, which was primarily attributable to the maturity of term deposits of RMB35.0 billion and financial assets at FVTPL of RMB5.4 billion, partially offset by the placement of term deposit of RMB32.2 billion and the purchase of financial assets at FVTPL of RMB5.0 billion.

In 2023, net cash used in investing activities was RMB8.0 billion, which was primarily attributable to the placement of term deposits of RMB33.4 billion, the purchase of financial assets at FVTPL of RMB10.3 billion and financial assets at amortized cost of RMB3.9 billion, partially offset by the maturity of term deposits of RMB36.9 billion, financial assets at FVTPL of RMB2.1 billion and financial assets at amortized cost of RMB0.7 billion.

#### *Net cash used in financing activities*

Net cash used in financing activities decreased from RMB117.2 million in 2023 to RMB45.6 million in 2024, primarily due to the payment on repurchase of shares in 2023, which was not occurred in 2024.

#### **Gearing ratio**

As of December 31, 2024, we had no outstanding borrowings. Therefore, the gearing ratio is not presented herein.

#### **Significant investments held**

Save as disclosed in the section headed “Material acquisitions and/or disposals of subsidiaries and affiliated companies”, we did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group’s total assets as of December 31, 2024) during the year ended December 31, 2024.

## **Material acquisitions and/or disposals of subsidiaries and affiliated companies**

As disclosed in the annual results announcement for the year ended December 31, 2023 of the Group dated March 20, 2024, the Group has entered into an agreement with the existing shareholder of Tangshan Hongci Healthcare Management Co., Ltd. (“**Tangshan Hongci**”) to acquire the remaining 51% equity interest in Tangshan Hongci (the “**Acquisition**”). During the Reporting Period, the Group terminated the Acquisition as certain relevant condition was not fulfilled.

Save as disclosed in this announcement, we did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the year ended December 31, 2024.

## **Future plans for material investments and capital assets**

Save as disclosed in the section headed “Material acquisitions and/or disposals of subsidiaries and affiliated companies”, as of December 31, 2024, we did not have other plans for material investments and capital assets.

## **Employee and remuneration policy**

The number of employees (excludes part-time staff and interns) dedicated to our business and operations as of December 31, 2024 was 3,564 (December 31, 2023: 3,118).

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans through a People’s Republic of China (the “**PRC**”) government-mandated benefit contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time.

The Company also has a pre-IPO employee share incentive plan, a post-IPO share option scheme and a post-IPO share award scheme.

The total employee benefit expenses, including share-based payment expenses, for the year ended December 31, 2024 were RMB2.4 billion, as compared to RMB2.9 billion for the year ended December 31, 2023.

## **Foreign exchange risk**

The functional currency of our entities incorporated in the Cayman Islands, British Virgin Islands and Hong Kong is the United States dollar (“USD”). Our PRC subsidiaries and consolidated affiliated entities determined their functional currency to be Renminbi (“RMB”). Foreign exchange risk arises when future commercial transactions or recognized financial assets and liabilities are denominated in a currency that is not the respective functional currency of our entities. In addition, we have intra-group balances with several subsidiaries denominated in foreign currency which also expose us to foreign currency risk. During the year ended December 31, 2024, exchange gains and losses from those foreign currency transactions denominated in a currency other than the functional currency were insignificant.

## **Contingent liabilities**

As of December 31, 2024, we did not have any material contingent liabilities or guarantees.

## **Borrowings**

As of December 31, 2024, we had no outstanding borrowings.

## **Significant events after December 31, 2024**

Save as disclosed in this announcement and as at the date of this announcement, there were no other significant events that might affect the Group since December 31, 2024.

# FINANCIAL INFORMATION

## Consolidated statement of profit or loss

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	<b>58,159,881</b>	53,529,941
Cost of revenue	<b>(44,851,304)</b>	(41,664,605)
	<hr/>	<hr/>
<b>Gross profit</b>	<b>13,308,577</b>	11,865,336
Fulfillment expenses	<b>(6,031,607)</b>	(5,284,786)
Selling and marketing expenses	<b>(3,048,731)</b>	(2,654,973)
Research and development expenses	<b>(1,330,435)</b>	(1,226,494)
General and administrative expenses	<b>(1,419,040)</b>	(1,998,376)
Other income and gains, net	<b>1,766,984</b>	193,710
Finance income	<b>1,960,502</b>	1,949,032
Finance costs	<b>(8,194)</b>	(9,485)
Impairment losses under expected credit loss model, net of reversal	<b>(315,853)</b>	(69,859)
Share of results of associates and joint ventures	<b>(85,527)</b>	(70,757)
	<hr/>	<hr/>
<b>Profit before income tax</b>	<b>4,796,676</b>	2,693,348
Income tax expense	<b>(639,662)</b>	(550,468)
	<hr/>	<hr/>
<b>Profit for the year</b>	<b>4,157,014</b>	2,142,880
	<hr/> <hr/>	<hr/> <hr/>
<b>Profit for the year attributable to:</b>		
Owners of the Company	<b>4,161,844</b>	2,141,841
Non-controlling interests	<b>(4,830)</b>	1,039
	<hr/>	<hr/>
	<b>4,157,014</b>	2,142,880
	<hr/> <hr/>	<hr/> <hr/>
	<i>RMB</i>	<i>RMB</i>
<b>Earnings per share</b>		
Basic	<b>1.32</b>	0.69
	<hr/> <hr/>	<hr/> <hr/>
Diluted	<b>1.32</b>	0.68
	<hr/> <hr/>	<hr/> <hr/>



## Consolidated statement of comprehensive income

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the year</b>	<b>4,157,014</b>	2,142,880
<b>Other comprehensive income/(loss)</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Exchange differences on translation from functional currency to presentation currency	<b>610,952</b>	709,755
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<b>(24,685)</b>	(31,334)
<b>Other comprehensive income for the year</b>	<b>586,267</b>	678,421
<b>Total comprehensive income for the year</b>	<b>4,743,281</b>	2,821,301
<b>Total comprehensive income/(loss) for the year attributable to:</b>		
Owners of the Company	<b>4,748,111</b>	2,820,262
Non-controlling interests	<b>(4,830)</b>	1,039
	<b>4,743,281</b>	2,821,301

## Consolidated statement of financial position

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	570,721	88,792
Right-of-use assets	225,271	199,204
Intangible assets	2,094,531	2,182,200
Investments in associates	2,993	3,412
Investments in joint ventures	260,773	345,055
Financial assets at fair value through profit or loss	1,163,856	1,115,916
Deferred tax assets	312,931	299,825
Prepayments, other receivables and other assets	8,183,502	12,204,005
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>12,814,578</b>	<b>16,438,409</b>
	<hr/>	<hr/>
<b>Current assets</b>		
Inventories	5,842,656	5,084,574
Trade and note receivables	551,370	347,962
Prepayments, other receivables and other assets	3,840,951	1,913,575
Financial assets at fair value through profit or loss	10,437,991	9,384,793
Term deposits	15,125,916	16,066,577
Restricted cash	32,659	15,377
Cash and cash equivalents	22,628,872	15,037,033
	<hr/>	<hr/>
<b>Total current assets</b>	<b>58,460,415</b>	<b>47,849,891</b>
	<hr/>	<hr/>
<b>Total assets</b>	<b>71,274,993</b>	<b>64,288,300</b>
	<hr/> <hr/>	<hr/> <hr/>

## Consolidated statement of financial position — continued

	As of December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	11	11
Treasury shares	(60,729)	(92,573)
Reserves	68,516,014	66,784,340
Accumulated losses	(13,224,140)	(17,336,026)
	<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>	<b>55,231,156</b>	49,355,752
<b>Non-controlling interests</b>	<b>9,682</b>	14,512
	<hr/>	<hr/>
<b>Total equity</b>	<b>55,240,838</b>	49,370,264
	<hr/>	<hr/>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	364,414	213,606
Lease liabilities	148,723	119,431
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>513,137</b>	333,037
	<hr/>	<hr/>
<b>Current liabilities</b>		
Trade payables	10,423,314	9,660,450
Income tax payables	207,095	337,543
Contract liabilities	537,918	405,604
Lease liabilities	109,670	95,323
Accrued expenses and other payables	4,243,021	4,086,079
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>15,521,018</b>	14,584,999
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>16,034,155</b>	14,918,036
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>71,274,993</b>	64,288,300
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the consolidated financial statements

### *General information and basis of preparation of consolidated financial statements*

The Company is an investment holding company. The Group engages in a comprehensive “Internet + Healthcare” ecosystem, providing pharmaceutical and healthcare products, internet healthcare, health management, intelligent healthcare solutions to the customers, and a variety of marketing services to the business partners. The Group’s principal operations and geographic markets are in the PRC.

The consolidated financial statements are presented in RMB, which is different from the Company’s functional currency of USD. All values are rounded to the nearest thousand (’000) except when otherwise indicated.

The consolidated financial statements have been prepared in accordance with accounting policies which conform with IFRSs issued by the International Accounting Standards Board (the “IASB”). The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

### *Application of amendments to IFRSs*

In the current year, the Group has applied the following amendments to IFRSs issued by IASB for the first time, which are mandatorily effective for the annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## *Revenue*

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Type of goods or services</b>		
Product revenue:		
Sales of pharmaceutical and healthcare products	<b>48,795,702</b>	45,652,922
Service revenue:		
Marketplace, advertising and other services	<b>9,364,179</b>	7,877,019
	<b><u>58,159,881</u></b>	<b><u>53,529,941</u></b>
<b>Timing of revenue recognition</b>		
A point in time	<b>57,725,324</b>	53,055,774
Overtime	<b>434,557</b>	474,167
	<b><u>58,159,881</u></b>	<b><u>53,529,941</u></b>
<b><i>Profit before income tax</i></b>		

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Cost of inventories sold	<b>44,744,578</b>	41,366,786
Employee benefit expenses	<b>2,409,732</b>	2,877,031
Expenses of logistics and warehousing services	<b>4,203,081</b>	3,509,732
Expenses of technology and traffic support services provided by JD Group	<b>2,228,270</b>	2,056,136
Expenses of promotion and advertising	<b>1,564,179</b>	1,304,873
Expenses of payment services	<b>405,338</b>	435,718
Depreciation of property and equipment, right-of-use assets and amortization of intangible assets	<b>214,695</b>	227,458
Auditor's remuneration	<b>7,860</b>	7,860



## *Income tax expense*

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current tax	<b>504,267</b>	454,265
Deferred tax	<b>135,395</b>	96,203
	<u><b>639,662</b></u>	<u>550,468</u>

## *Earnings per share*

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Numerator</b>		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share (RMB'000)	<u><b>4,161,844</b></u>	<u>2,141,841</u>
<b>Denominator</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share (thousand shares)	<b>3,142,727</b>	3,123,736
Add: Effect of dilutive potential ordinary share: options and RSUs granted (thousand shares)	<u><b>17,551</b></u>	<u>40,249</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share (thousand shares)	<u><b>3,160,278</b></u>	<u>3,163,985</u>
Basic earnings per share attributable to owners of the Company (RMB per share)	<u><b>1.32</b></u>	<u>0.69</u>
Diluted earnings per share attributable to owners of the Company (RMB per share)	<u><b>1.32</b></u>	<u>0.68</u>

For the year ended December 31, 2024 and 2023, the share options and RSUs granted by the Company have potential dilutive effect on the earnings per share.

### *Trade and note receivables*

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade receivables from third parties	<b>679,056</b>	528,454
Trade receivables from a related party	<b>80,656</b>	31,189
Note receivables	<b>11,192</b>	1,101
Less: allowance for ECL	<b>(219,534)</b>	(212,782)
	<b>551,370</b>	347,962

Aging analysis of trade receivables from third parties based on invoice date is as follows:

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within 3 months	<b>383,355</b>	303,507
3 to 6 months	<b>102,238</b>	45,741
6 to 12 months	<b>43,372</b>	40,271
Over 12 months	<b>150,091</b>	138,935
	<b>679,056</b>	528,454
Less: allowance for ECL	<b>(219,534)</b>	(212,782)
	<b>459,522</b>	315,672

The Group holds notes received for settlement of trade receivables. The Group continues to recognize full carrying amounts of note receivables at the end of each reporting period. All notes received by the Group are with a maturity period of less than one year.

### *Trade payables*

Trade payables primarily consist of payables to suppliers. The credit period of trade payables is mainly ranging from 30 to 90 days. An aging analysis of the trade payables based on the invoice date is as follows:

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within 3 months	<b>10,091,716</b>	9,210,796
3 to 6 months	<b>233,341</b>	241,535
Over 6 months	<b>98,257</b>	208,119
	<b>10,423,314</b>	9,660,450

## *Dividends*

No dividend was paid or proposed for ordinary shareholders of the Company during 2024, nor has any dividend been proposed since the end of the Reporting Period (2023: none).

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company was incorporated in the Cayman Islands on November 30, 2018 with limited liability, and the shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on December 8, 2020.

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders of the Company (the "**Shareholders**"). During the Reporting Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2024 (the "**Annual Report**").

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code throughout the year ended December 31, 2024.

## **SCOPE OF WORK OF THE COMPANY'S AUDITOR**

The figures in respect to the Group's consolidated results for the year ended December 31, 2024 as set out in this announcement have been agreed by the Company's independent auditor, Messrs. Deloitte Touche Tohmatsu (the "**Auditor**"), to the amounts set out in the audited consolidated financial statements of the Group for the year ended December 31, 2024 as approved by the Board of Directors on March 6, 2025. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by the Auditor on this announcement.

## AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises three members, namely Mr. Xingyao Chen (陳興堯), Dr. Jiyu Zhang (張吉豫) and Ms. Ling Li (李玲), with Mr. Xingyao Chen (陳興堯) (being our independent non-executive Director with the appropriate professional qualifications) as chairperson of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2024 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the Auditor.

## OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee and a remuneration committee.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Hong Kong Stock Exchange (including any sale of treasury shares (as defined under the Listing Rules)). As of December 31, 2024, no treasury shares (as defined under the Listing Rules) were held by the Company.

## FINAL DIVIDEND

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2024.

## USE OF NET PROCEEDS

With the shares listed on the Hong Kong Stock Exchange on December 8, 2020, the net proceeds from the Global Offering (following full exercise of the Over-allotment Option) were approximately RMB25.7 billion (the “**Net Proceeds**”) after deducting underwriting commissions and offering expenses, which were intended be utilized for the purposes as set out in the Prospectus.

Save as disclosed in the Company's announcement dated November 29, 2023 (the “**Change in Use of Proceeds Announcement**”), the allocation and the expected timeline for the utilization of the other Net Proceeds remain unchanged, which will be used in the manner as disclosed in the Prospectus. Please refer to the Change in Use of Proceeds Announcement for details.

The following table sets forth a summary of the allocation and status of the utilization of the Net Proceeds and the unutilized Net Proceeds after the Change in Use of Net Proceeds as of December 31, 2024:

Purpose	Allocation of the unutilized Net Proceeds (RMB million)	Unutilized amount as at January 1, 2024 (RMB million)	Amount utilized in the year ended December 31, 2024 (RMB million)	Unutilized amount as at December 31, 2024 (RMB million)	Updated expected timeline of full utilization
Use for business expansion, including further developing our retail pharmacy business and online healthcare services, enhancing user growth and engagement and promoting brand awareness	9,010	7,635	7,635	—	12 to 36 months from the date of this announcement
Potential investments and acquisitions or strategic alliances	2,911	2,911	—	2,911	12 to 36 months from the date of this announcement
Working capital needs and general corporate purpose	648	579	—	579	12 to 36 months from the date of this announcement
	<u>12,569</u>	<u>11,125</u>	<u>7,635</u>	<u>3,490</u>	

*Note: The updated expected timeline for utilization of the unutilized net proceeds above is based on the Group's best estimation and is subject to change based on the future development of market conditions.*

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [ir.jdhealth.com](http://ir.jdhealth.com). The Annual Report will be published on the aforesaid websites of the Hong Kong Stock Exchange and the Company in due course.

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

Hong Kong, March 6, 2025

*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, Mr. Ying Wu and Professor George Lau as independent non-executive Directors.*