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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))

CONTINUING CONNECTED TRANSACTIONS RECEIVABLES MANAGEMENT FRAMEWORK AGREEMENT

RECEIVABLES MANAGEMENT FRAMEWORK AGREEMENT

On March 6, 2025, the Group and JD.com entered into the Receivables Management Framework Agreement, pursuant to which JD Group shall provide the Receivables Management Services to the Group for a term of three years commencing from March 6, 2025 to December 31, 2027.

LISTING RULES IMPLICATIONS

JD.com is a controlling shareholder of the Company and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Receivables Management Framework Agreement would constitute continuing connected transactions of the Company under the Listing Rules.

As all applicable percentage ratios calculated with reference to the highest annual cap for the transactions contemplated under the Receivables Management Framework Agreement are more than 0.1% but less than 5%, the entering into of the said agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

RECEIVABLES MANAGEMENT FRAMEWORK AGREEMENT

On March 6, 2025, the Group and JD.com entered into the Receivables Management Framework Agreement, pursuant to which JD Group shall provide the Receivables Management Services (as defined below) to the Group for a term of three years commencing from March 6, 2025 to December 31, 2027.

Details of the Receivables Management Framework Agreement are as follows:

Date: March 6, 2025

Parties: (i) the Company (for itself and on behalf of its subsidiaries and consolidated affiliated entities)

(ii) JD.com (for itself and on behalf of its subsidiaries and consolidated affiliated entities, excluding the Group)

Term: March 6, 2025 to December 31, 2027

Subject matter and pricing policies

JD Group will provide receivables management services to the Group by purchasing the Group's consumer financing receivables immediately after such consumer financing receivables have been originated from the sale of certain products and/or the provision of certain services through the online retail business of the Group to qualified customers (the "**Receivables Management Services**"). The price charged by the Group shall be the carrying values of the consumer financing receivables, which is at cost as incurred by the Group without markup. For the avoidance of doubt, JD Group will not charge the Group any service fees in relation to such transactions. Upon the transferring of such consumer financing receivables, the ownership of the such receivables along with the associated risks and rights for returns shall be transferred to JD Group on a non-recourse basis.

To ensure that the terms (including the relevant prices charged) under the Receivables Management Framework Agreement are on normal commercial terms or better and are fair and reasonable and in the interests of the Shareholder as a whole, before the Group enters into any of the transactions under the Receivables Management Framework Agreement, the responsible business units shall ensure the pricing policies are adhered to and the price of the transaction is the same as, or within the price range of, comparable transactions carried out with independent third parties in the market (where such transactions are available for references).

Historical transaction amounts

There has been no historical transaction in relation to the Receivables Management Services.

Annual caps

In respect of the Receivables Management Framework Agreement, the transaction amounts for each of the three years ending December 31, 2025, 2026 and 2027 shall not exceed the annual caps as set out in the table below:

	For the year ending December 31,		
	2025	2026	2027
	<i>(RMB in million)</i>		
Amount of consumer financing receivables to be purchased by JD Group	1,390	2,340	2,900

Basis for annual caps

The annual caps for the amount of consumer financing receivables to be purchased by JD Group under the Receivables Management Framework Agreement are determined with reference to the following factors: (i) the historical sales amount from the online retail business of the Group regarding the sale of certain products and/or provision of certain services for the year ended December 31, 2024, (ii) the expected sales amount from and the expected growth rate of the online retail business of the Group of the aforementioned products and/or services for each of the three years ending December 31, 2025, 2026 and 2027, (iii) the proportion of qualified customers in the online retail business (i.e. customers who pay by credit) as compared to all customers in the online retail business and the potential increase of qualified customers considering the anticipated growth of the Group's business, and (iv) the capital turnover and business needs of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RECEIVABLES MANAGEMENT FRAMEWORK AGREEMENT

The Company is one of the first movers in transforming the supply chain of pharmaceutical and healthcare products in China. The Group's retail pharmacy business allows users to purchase pharmaceutical and healthcare products anytime and anywhere, and provides them with an integrated one-stop shopping experience, combining direct sales, online marketplace and on-demand retail. JD Group, in collaboration with its associates, provides consumer financing to the qualified customers in the online retail business, and periodically securitizes consumer financing receivables through the transfer of those assets to securitization vehicles.

On one hand, the entering into of the Receivables Management Framework Agreement is beneficial to the Group as it allows the Group to better leverage the mature consumer financing receivables management infrastructure, that has already been built by JD Group and its associates, and expedite the realization of consumer financing receivables which will in turn enhance the Group's working capital efficiency. On the other hand, the services provided under the Receivables Management Framework Agreement are mutually beneficial to the Group and JD Group, as such services can enhance economies of scale of the consumer financing services management of JD Group, including but not limited to securitization of a larger scale of consumer financing receivables, and the Group can transfer the consumer financing receivables to JD Group without incurring extra charges from JD Group at the same time. Such arrangement allows the exertion of the synergy effect of the cooperation between the Group and JD Group, which is conducive to the long term development of the Group and the interests of the Shareholders as a whole.

INTERNAL CONTROLS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Company has adopted and implemented a management system on connected transactions, and the Board and various internal departments of the Company are responsible for the control and management in respect of the continuing connected transactions. For instance, the Company has adopted and will adopt the following internal control measures for the Receivables Management Framework Agreement:

- (i) the Board and various internal departments of the Company (including finance, legal and compliance and business operation departments) will be jointly responsible for evaluating the terms under the Receivables Management Framework Agreement, in particular, the fairness and reasonableness of the pricing policies and annual caps under the transaction, on an annual basis;
- (ii) the business operation department and finance department have and will continue to closely monitor the actual transaction amounts relating to the continuing connected transactions under the Receivables Management Framework Agreement on a half yearly basis. If the actual transaction amount reaches certain threshold of the annual caps of the continuing connected transactions (i.e. 50% in the first half of the year), or if the business operation department and finance department expect that the relevant business operations will expand and may use up a substantial part of the annual caps in the short run, the matter shall promptly be escalated to the chief financial officer. The chief financial officer will assess if there is need to revise the existing annual caps, and if so, revise the annual caps in accordance with the relevant internal procedures of the Company and re-comply with the requirements under the Listing Rules;
- (iii) before the Group enters into any of the transactions under the Receivables Management Framework Agreement, the responsible business units must ensure the pricing policies are adhered to and the price of the transaction is the same as, or within the price range of, comparable transactions carried out with independent third parties in the market (where such transactions are available for references);
- (iv) the Company's internal audit department will monitor and assess the effectiveness and adequacy of the overall formulation and execution of internal control policies of the Company (including those in relation to the continuing connected transactions), and will make recommendation and report to the audit committee of the Company annually;
- (v) the Company's external auditors will review the continuing connected transactions under Receivables Management Framework Agreement annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the annual cap has been exceeded; and
- (vi) the independent non-executive Directors will also review the continuing connected transactions under Receivables Management Framework Agreement annually to check and confirm whether such continuing connected transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policies.

Based on the above, the Board considers that the pricing policies and internal control mechanism and procedures in place for the Receivables Management Framework Agreement can ensure the transactions contemplated thereunder will be conducted on normal commercial terms or better.

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 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.

JD.com

As of December 31, 2024, JD.com, through its wholly-owned subsidiary JD Jiankang Limited, was indirectly interested in 2,149,253,732 Shares, representing approximately 67.19% 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 codes: 9618 (HKD counter) and 89618 (RMB counter)) 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 December 31, 2024, Mr. Richard Qiangdong Liu, a non-executive Director, held approximately 71.7% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.

LISTING RULES IMPLICATIONS

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As all applicable percentage ratios calculated with reference to the highest annual cap for the transactions contemplated under the Receivables Management Framework Agreement are more than 0.1% but less than 5%, the entering into of the said agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. Richard Qiangdong Liu is deemed or may be perceived to have a material interest in the Receivables Management Framework Agreement, and as a result has abstained from voting on matters relating to the Receivables Management Framework Agreement. Other than the aforesaid Director, no other Directors have a material interest in the Receivables Management Framework Agreement or are required to abstain from voting on the resolutions of the Board approving the transactions.

The Directors (including the independent non-executive Directors, but excluding Mr. Richard Qiangdong Liu, who has abstained) have, after due and careful consideration, determined that the terms (including the annual caps) of Receivables Management Framework Agreement 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.

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors of the Company
“China” or “PRC”	the People’s Republic of China
“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
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries and consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“JD.com”	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 codes: 9618 (HKD counter) and 89618 (RMB counter)) 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
“JD Group”	JD.com and its subsidiaries and consolidated affiliated entities, excluding the Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Receivables Management Framework Agreement”	the agreement dated March 6, 2025 entered into between the Company and JD.com in relation to the provision of Receivables Management Services
“RMB”	Renminbi, the lawful currency of China
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.0000005 each
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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.