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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, 2023

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, 2023 (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

	Year ended December 31,		Year-over-year change (%)
	2023 RMB'000	2022 RMB'000	
Revenue	53,529,941	46,736,150	14.5
Gross profit	11,865,336	9,891,508	20.0
Operating income/(loss) ⁽¹⁾	630,848	(145,120)	N/A
Profit before income tax	2,693,348	695,809	287.1
Profit for the year	2,142,880	383,229	459.2
Non-IFRS operating income ⁽²⁾	2,478,637	1,959,158	26.5
Non-IFRS profit for the year ⁽²⁾	4,135,439	2,616,292	58.1

(1) Operating income/(loss) 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 model, net of reversal.

(2) We define “non-IFRS operating income” and “non-IFRS profit” as operating income/(loss) 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:

2023 was a pivotal year, characterized as the “Consumption-Boosting Year” by Chinese authorities. It was also generally recognized as the “First Year of the Post-Pandemic Era”. For the healthcare sector, however, it was a year of elevation, marked by heightened healthcare needs-based segmentation, profound, ongoing industry development and transformation, and accelerated adoption of advanced technologies. These favorable changes unleashed additional growth potential in healthcare spending, driving China’s online healthcare industry to unprecedented heights.

As an industry-leading healthcare service provider, JD Health’s strategic positioning is to create a technology-driven platform that centers on the supply chain of pharmaceuticals and healthcare products and is strengthened by healthcare services, encompassing a user’s full lifespan for all healthcare needs. In line with national policies and regulatory guidelines, we continued to cultivate our integrated online and offline healthcare service system, maintaining focus on building the “first entry point for online health consumption” in China and proactively fulfilling our social responsibilities. While comprehensively safeguarding user health, we also remain dedicated to delivering sustainable value for both shareholders and society as a whole, thereby achieving high-quality long-term development.

Bolstering pharmaceutical and healthcare supply chain infrastructure and solidifying our position as the “first entry point for online health consumption”

In 2023, we continued to develop our pharmaceutical and healthcare supply chain infrastructure, maximizing efforts to consistently improve healthcare quality and efficiency. Harnessing our high-quality service capabilities, we further solidified our industry leadership as the “first entry point for online health consumption”, making quality-assured pharmaceutical and healthcare products and services accessible and affordable for a broader population. Meanwhile, we remained diligent in cooperation with partners to promote the transformation and upgrade of the pharmaceutical and healthcare industry.

Throughout 2023, supported by our full-category product offerings and omnichannel distribution capabilities as well as our full-lifecycle digital marketing capabilities, JD Health deepened cooperation with a number of pharmaceutical companies across varied areas, including patient education, early disease screening and digital health management, to jointly explore innovative healthcare management models combining healthcare products and healthcare solutions. Additionally, JD Health supported its partners’ drug launches, bringing a new selection of pharmaceutical products to patients in need while promoting pharmaceutical companies’ digital transformation and omnichannel expansion. Furthermore, we catered to users’ evolving healthcare needs by partnering with an array of healthcare brands to diversify product offerings on our platform, complemented by personalized recommendations and advice from healthcare professionals practicing on our platform. This innovative model combining products and services has propelled our sustained, high-quality business growth. Presently, JD Health has emerged as the partner of choice for global brands to explore growth opportunities through omnichannel expansion, demonstrating our strong value proposition as the “first entry point for online health consumption”.

We also focused on the on-demand retail business in 2023, accelerating our omnichannel initiatives to bring faster delivery service options to users. Establishing self-operated offline pharmacies and expanding our partnered pharmacy network empowered us to bring upgraded on-demand retail services to a broader user base. In the second half of 2023, JD Health launched its self-operated pharmacies in Beijing, featuring a “24-hour prescription pick-up window”, and provided users with upgraded service experience of “28-minute average delivery” for online orders. We also enabled medical insurance payments for online purchases in nearly 700 pharmacies in Shanghai, creating a convenient and efficient shopping experience for users.

Building out an integrated online and offline service system to comprehensively improve medical and healthcare service accessibility

In 2023, we remained committed to constructing a more comprehensive and integrated online and offline healthcare service system, through initiatives ranging from cultivating and upgrading our online dermatology center and psychological health center to further diversifying medical service offerings such as family doctor services and other consumer healthcare services. We also extended our offline footprint with examination and polyclinic centers as well as a community hospital development in cooperation with the Suqian government authorities, all in an effort to make high-quality medical and healthcare services more widely accessible to our users.

On the online front, we continued to strengthen JD Health Online Hospital’s (京東健康互聯網醫院) service capabilities, offering users efficient, professional and reliable online healthcare services. In 2023, we launched several online special clinics and medical centers, including China’s first online medical care center specializing in dermatology, our upgraded psychological service center and traditional Chinese medicine clinic for digestive health, providing patients in need with higher-quality, personalized online diagnosis and treatment services. In the meantime, we further upgraded “JD Family Doctor” (京東家醫), one of our innovative online-based care products, by introducing services such as year-round care for the elderly, infants/toddlers, and pregnant and post-partum women, as well as health management and personalized nutrition plans, to bring proactive health management services and one-stop medical solutions to different user demographics. JD Health now boasts some of the most comprehensive expertise and the strongest specialty service offerings of any online health platform in the industry, setting the benchmark for online medical service innovation in China.

To further accelerate online and offline integration, we officially launched JD Health Polyclinic Center in 2023, with locations in Beijing and Suqian. Suyu Community Hospital, a medical institution we jointly built with Suqian government authorities, also officially opened. With these launches, JD Health has become the leading Internet healthcare provider, offering a diverse and comprehensive healthcare services to local residents, through online and offline pharmacies and medical institutions.

Innovating public health welfare models to drive inclusivity through technology

JD Health leverages its profound technological expertise to propel the healthcare industry's digital transformation and promote healthcare inclusivity. In 2023, JD Health introduced the “Jingyi Qianxun” (京醫千詢) large language model (LLM) for medical and healthcare applications, the industry leading LLM that seamlessly integrates healthcare knowledge graph with medical data. It encompasses vast high-quality health data across online and offline healthcare scenarios, as well as data across the full spectrum of pharmaceutical distribution. At present, JD Health is utilizing the LLM to comprehensively deploy artificial intelligence (AI) applications and upgrades across various use cases, aiming to improve cost efficiency and elevate user experience industry-wide.

In 2023, JD Health steadfastly fulfilled our corporate social responsibilities and formed a public welfare service framework primarily covering patient assistance, health care for underserved demographics, and physician and employee welfare. In collaboration with a group of our compassionate online and offline partners, we mobilized doctors, pharmacists and other healthcare professionals to conduct a broad series of public welfare activities, including care and assistance for rare disease patients, rural women's healthcare activities, Beijing-Tianjin-Hebei flood relief, and medical support for Tibetan clinics. Through endeavors like these, we firmly uphold our commitment to social responsibility as a healthcare services enterprise.

Looking ahead to 2024, we believe that the “Healthy China Initiative” (健康中國) and evolving health consumption trends will drive the rapid growth of the online healthcare industry. Against this backdrop, we will continue to strengthen our corporate values and competitive advantages by further scaling up our business and promoting technological innovation, advancing our commitment to safeguarding customers' health, and rewarding shareholders, stakeholders and society as a whole.

Enlin Jin

Chief Executive Officer

March 20, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Over the past year, we integrated a variety of new service scenarios into our “Internet + Healthcare” ecosystem, delivering greater value to consumers through our online pharmacy, medical consultations, and health management services.

A confluence of supportive policies, escalating market demand and technological innovation drove the expansion of our “Internet + Healthcare” service offerings across a more comprehensive array of scenarios in 2023 as we continued to elevate service quality and user experience to meet the diverse needs of a broader user base. First, supportive policies created a favorable environment for sustainable industry development. Recently, government authorities including the National Health Commission (“NHC”) released the “Data Element X” Three-year Action Plan (2024–2026) (「數據要素X」三年行動計劃 (2024–2026年)), which calls for advancing healthcare data integration and deploying data-driven application models across intelligent healthcare and health management services. Additionally, the surge in respiratory infections in multiple regions at the end of 2023 boosted demand for children’s healthcare services. In response, the NHC issued a notice encouraging the adoption of online healthcare services to prevent intra-hospital infection and alleviate pressure on offline medical institutions. Our “Internet + Healthcare” model effectively addressed the public’s medication and consultation needs and alleviated the shortage of offline medical resources during the outbreaks, further demonstrating its social value. As an industry-leading provider of innovative medical and healthcare services, JD Health leverages technology to supercharge service model innovation and builds out our integrated online and offline service system, aiming to provide high-quality, accessible and affordable healthcare services to a wide range of users.

Our business sustained high-quality growth during the Reporting Period, with total revenue reaching RMB53.5 billion, representing a year-over-year growth of 14.5%. Through technological innovation, we continued to maximize our platform’s medical resources across a variety of scenarios and provided high-quality, more convenient healthcare services and products to a growing user base. As of December 31, 2023, our annual active users reached 172.3 million and the average daily online consultation volume surpassed 450,000 in 2023.

Retail pharmacy

We further optimized our retail business model encompassing direct sales, online marketplace and on-demand retail, opening up our platform to pursue shared growth with upstream and downstream partners. Meanwhile, we insisted upon compliant operations and comprehensive quality management to provide users with better, safer products and services. We also consistently strengthened our supply chain capabilities to enrich our product offerings while maintaining competitive pricing, thereby earning trust and loyalty from a wider range of users.

Direct sales

We operate our direct sales business through “JD Pharmacy”, where we consistently expanded cooperation with industry-leading pharmaceutical companies and healthcare product suppliers. During the Reporting Period, our direct sales business recorded revenue of RMB45.7 billion, representing a year-over-year increase of 13.1%. We continued to build out our nationwide warehousing network and cold chain fulfillment service coverage, amplifying our industry-leading pharmaceutical and health product fulfillment capabilities. Our deep understanding of users’ needs and precise digital marketing tools enabled us to better promote products matching customer demand, further boosting cross-category purchases. Our users’ repeat purchase rate and new user retention rate continued to grow during the Reporting Period, reflecting users’ rising awareness and recognition of the JD Health brand.

During the Reporting Period, JD Health comprehensively upgraded its strategic cooperation with several global pharmaceutical companies, including AstraZeneca, Dong-E-E-Jiao, and LEO Pharma. We also supported our partners’ new and specialty drug launches on our platform, becoming their partner of choice to explore growth opportunities through omnichannel expansion. During the Reporting Period, several new drugs debuted on JD Pharmacy, including Litfulo®, the world’s first innovative drug for the treatment of severe alopecia areata in adolescents and adults, Austedo®, a drug for the treatment of tardive dyskinesia, and Oubida®, the first domestic targeted oral drug approved to treat psoriasis.

We also launched the Family Nutritional Health initiative in collaboration with strategic partners and brands including H&H Group, By-Health, Tongrentang Health, and Move Free. We teamed up with full-time licensed doctors and other healthcare professionals practicing on our platform, and offered health and nutrition counseling services to diverse user groups including the elderly, children, and pregnant and post-partum women, providing professional recommendations and advice regarding specific nutritional needs. The program also empowered our brand partners to extend their reach among users and grow their sales on our platform.

Furthermore, we worked with authoritative institutions during the Reporting Period to upgrade several standards for nutritional and tonic products, including probiotics, ginseng, and antler supplements. This initiative promoted industrial innovation and efficiency improvements across the supply chain, providing users with better quality goods while helping merchants achieve sales growth and boost their competitiveness. In addition, we formed strategic partnerships with various local governments to support industrial belt suppliers. For example, we collaborated with Ji’an Municipal People’s Government to become the exclusive authorized provider of digital sales solutions for local ginseng suppliers. Utilizing our precise online traffic and digital marketing tools, we assisted merchants in better understanding evolving consumption trends, and empowering their digital transformation and ongoing growth.

Online marketplace

By leveraging the synergies between our online marketplace and direct sales business, we continued to enhance users' purchasing experience on our platform, propelling our retail pharmacy business's sustainable growth. Our platform's upgraded digital operation system and the broad consumer demographics continue to attract third-party merchants, further diversifying the products offerings on our marketplace platform and strengthening our low-cost marketing strategy. Thanks to a healthier marketplace ecosystem, the number of merchants joining JD Health rose by over 100% to over 50,000 as of December 31, 2023.

In 2023, we amplified traffic support for third-party merchants to facilitate their rapid growth. To increase high-rating stores' exposure, we optimized the traffic distribution mechanism and provided additional marketing opportunities across shopping channels. Furthermore, we leveraged our digital capabilities to offer merchants comprehensive advertising solutions and digital management tools, helping them tap more deeply into users' value and improve operational efficiency and traffic conversion rate. During the Reporting Period, we also incentivized and streamlined merchant onboarding policies to lower the threshold for opening a store on our marketplace, propelling our partners' long-term growth as well as our own.

On-demand retail

During the Reporting Period, we stepped up our efforts to develop our on-demand retail business by rolling out self-operated offline pharmacies and optimizing our omnichannel layout. At the same time, we fostered merchant ecosystem development and expanded our footprint nationwide, effectively upgrading our "28-minute average delivery" service experience.

We strategically launched multiple self-operated community pharmacies featuring our "24-hour prescription pick-up window" in Beijing and staffed each pharmacy with dedicated delivery workers to provide users with efficient and convenient on-demand purchase and delivery services. These pharmacies bolster local healthcare infrastructure by swiftly meeting pharmaceutical demand within a neighborhood's "15-minute living radius". We also optimized third-party merchant policies and encouraged merchants to participate in joint marketing campaigns during the Double Eleven promotional period, creating incremental sales opportunities while benefiting customers with more favorable prices. We also enabled medical insurance payments for online purchases in nearly 700 pharmacies in Shanghai, creating a convenient and efficient pharmacy shopping experience for local consumers.

As of the end of 2023, JD Health had partnered with over 120,000 offline pharmacies nationwide to provide 24-hour, on-demand services across more than 480 cities. Going forward, leveraging JD Health's industry-leading pharmaceutical supply chain infrastructure and online medical service capabilities, we will continue to build out our omnichannel distribution network, providing user with a seamless, on-demand shopping experience across more use cases.

Healthcare services

We remain focused on improving our integrated online and offline medical and healthcare service experience in an effort to deliver professional, convenient and safe medical and healthcare services to every user. In 2023, JD Health continued to enhance its specialty care service capabilities and enrich the platform's online healthcare service offerings. In addition, we tapped into an array of offline healthcare service scenarios to expand our business horizons by catering to users' diverse healthcare needs. To support our highly accessible and affordable healthcare services, we have built a comprehensive control system that helps monitor the end-to-end quality of medical services while protecting the legitimate rights and interests of doctors. We are also accelerating adoption of healthcare LLMs to further enhance the quality and efficiency of online consultations.

Integrated online and offline medical services

During the Reporting Period, JD Health continued to explore innovative online medical service models, aiming to provide users with easier access to quality medical services and meet their personalized and diverse healthcare needs.

As a customer-centric organization, we remain dedicated to improving and upgrading our online medical and healthcare service experiences. In 2023, we launched China's first online medical care center specializing in dermatology, which has served millions of patients since its inception as we diligently developed our closed-loop online service model. Furthermore, our JD Health psychological service center focuses on users' day-to-day counseling needs, providing ongoing psychological support in real-life scenarios across work, parenting, marriage and general therapy. By the end of 2023, the platform's psychiatrists and counselors had served hundreds of thousands of users. In addition, we comprehensively upgraded our "JD Family Doctor" (京東家醫) product with new services such as year-round online care and personalized nutrition plans, addressing the general healthcare needs of users of all ages through proactive health management services.

Over the past year, JD Health rolled out a host of solutions for physicians practicing online, including cloud-based clinics, post-diagnosis follow-up services, expert joint consultations, clinical research support and physician IP and brand development, to improve doctors' online experience as well as the efficiency of online diagnosis and treatment. We have also created a quality control monitoring system and implemented online diagnosis and treatment standards to deliver quality-assured medical services and safeguard doctors' interests. At present, JD Health Online Hospital's Quality Management Committee has issued a total of 223 diagnosis and treatment standards and 12 medical quality and safety management regulations.

Moreover, we are rapidly expanding offline medical service scenarios in an effort to bring our integrated online and offline medical and healthcare service experience to more users. In 2023, JD Health Polyclinic Center officially commenced operations in Beijing and Suqian, offering local users a multifaceted, comprehensive range of premium health management services. Furthermore, we jointly established the Suyu Community Hospital in cooperation with Suqian government authorities, advancing our ongoing exploration of online and offline medical service integration.

Smart healthcare solutions and digital health

In 2023, JD Health introduced the “Jingyi Qianxun” (京醫千詢) LLM for medical and healthcare applications, which integrates a vast array of clinical practice guidelines, medical research and review articles and expert insights. Jingyi Qianxun is a healthcare LLM that can process datasets generated from both physical products and healthcare services. In July 2023, JD Health’s in-house developed skin image processing and sleep monitoring products were designated as Class II Medical Devices, marking the seminal application of digital therapy products in medical scenarios.

Leveraging our digital technology, JD Health remained focused on developing intelligent solutions for offline hospitals and empowering the digital transformation of regional public healthcare systems, aiming to improve efficiency and patient experience industry-wide. During the Reporting Period, JD Health partnered with the First Affiliated Hospital of Wenzhou Medical University to build a leading national intelligent hospital service system. To advance digitalization in the public healthcare sector, JD Health and Changchun Jingyue High-tech Industrial Development Zone jointly initiated an intelligent healthcare platform project promoting precise, standardized and measurable data and knowledge sharing. Additionally, we implemented our self-built, AI-based pre-prescription review system in Haidian District, Beijing, where it processes over 20,000 prescriptions daily on average across nearly 100 community medical institutions.

Public welfare and corporate social responsibility

We center on users’ health in everything we do. Furthermore, we steadfastly uphold our commitment to social responsibility through high-quality development.

In 2023, JD Health engaged in an array of public health care and well-being activities to address the diverse health needs of various underserved groups, including ethnic minority women, rural seniors and children, and low-wage workers. In addition to public welfare initiatives, we leveraged JD Health’s brand influence to collaborate with societal partners in promoting the accessibility, inclusivity and equality of medical resources and medications for rare diseases. Furthermore, to better meet the needs of doctors participating in public welfare activities, JD Health launched the Physician Public Welfare Development Program. The program brings together public welfare institutions, brands and partners and provides long-term, ongoing financial, material and technological support for doctors’ public welfare activities. During the Reporting Period, we collaborated with over 100 of our compassionate partners to conduct 56 medical and health public welfare activities, comprising more than RMB60 million in funding, materials and services.

Prospects

As an industry-leading, innovative healthcare service provider, we will continue to enhance our pharmaceutical and healthcare supply chain as well as our medical and healthcare service capabilities, aiming to provide accessible, convenient and affordable healthcare products and services to our users.

With respect to the retail pharmacy business, we will deepen synergies across our “direct sales + online marketplace + omnichannel” ecosystem, building alliances with brands and supplier partners to increase the accessibility of drugs and healthcare products. On the healthcare services front, we will strive to expand medical and healthcare service scenarios and incorporate additional medical resources to further enhance our service capabilities and better meet the full spectrum of user needs. Furthermore, capitalizing on innovative technologies including our healthcare LLM, we will consistently upgrade and iterate our data-driven and intelligent solutions. By opening these applications to doctors, corporate customers, medical institutions, government departments and other industry partners, we can empower a broader range of partners and promote the high-quality development of healthcare industry.

Looking ahead, JD Health will remain unwaveringly committed to its business philosophy of “trust-based value creation centered on customers’ health”. We will continue to open up our supply chain infrastructure and healthcare services capabilities, while cooperating closely with upstream and downstream partners to cultivate the integrated online and offline healthcare ecosystem. Together, we will foster a brighter shared future for consumers, the industry, our partners, the environment and society as a whole.

FINANCIAL REVIEW

Revenue

Our revenue increased by 14.5% from RMB46.7 billion in 2022 to RMB53.5 billion in 2023. The increase in our total revenue was primarily due to an increase by 13.1% in products revenue from sales of pharmaceutical and healthcare products from RMB40.4 billion in 2022 to RMB45.7 billion in 2023. 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 23.7% from RMB6.4 billion in 2022 to RMB7.9 billion in 2023. The increase in our service revenue was primarily due to (i) 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, and (ii) an increase in commission fees primarily attributable to an increase in the sales volume of third-party merchants on our online marketplace.

Cost of revenue

Our cost of revenue increased by 13.1% from RMB36.8 billion in 2022 to RMB41.7 billion in 2023. The increase was primarily due to an increase in the sales volume of our pharmaceutical and healthcare products, 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 RMB9.9 billion in 2022, representing a gross profit margin of 21.2%, and a gross profit of RMB11.9 billion in 2023, representing a gross profit margin of 22.2%. The increase in the gross profit margin was primarily due to changes in the product mix.

Fulfillment expenses

Our fulfillment expenses increased by 16.9% from RMB4.5 billion in 2022 to RMB5.3 billion in 2023. 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 other fulfillment expenses, including employee benefit expenses, payment service expenses and customer service expenses, all of which were in line with the continued growth of our business. Fulfillment expenses as a percentage of revenue increased from 9.7% in 2022 to 9.9% in 2023.

Selling and marketing expenses

Our selling and marketing expenses increased by 20.9% from RMB2.2 billion in 2022 to RMB2.7 billion in 2023. 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 4.7% in 2022 to 5.0% in 2023.

Research and development expenses

Our research and development expenses increased by 14.9% from RMB1,067.2 million in 2022 to RMB1,226.5 million in 2023. The increase was primarily attributable to (i) an increase in expenses of technology and traffic support services provided by JD Group, and (ii) an increase in employee benefit expenses for employees involved in research and development activities. Research and development expenses as a percentage of revenue remained stable of 2.3% in 2022 and 2023, respectively.

General and administrative expenses

Our general and administrative expenses decreased by 7.2% from RMB2,153.5 million in 2022 to RMB1,998.4 million in 2023, primarily attributable to a decrease of share-based payment expenses. General and administrative expenses as a percentage of revenue decreased from 4.6% in 2022 to 3.7% in 2023.

Finance income

Our finance income increased by 125.5% from RMB864.3 million in 2022 to RMB1,949.0 million in 2023, 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 76.1% from RMB312.6 million in 2022 to RMB550.5 million in 2023, 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 RMB0.4 billion in 2022.

Non-IFRS measures

To supplement our condensed consolidated financial statements, which are presented in accordance with International Financial Reporting 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.

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 2023 and 2022:

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Reconciliation of profit to non-IFRS profit:		
Profit for the year	2,142,880	383,229
Add:		
Share-based payment expenses	1,847,789	2,104,278
— <i>Fulfillment expenses</i>	126,464	142,237
— <i>Selling and marketing expenses</i>	40,286	49,378
— <i>Research and development expenses</i>	106,463	105,569
— <i>General and administrative expenses</i>	1,574,576	1,807,094
Fair value changes for financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) except for wealth management products ⁽¹⁾	222,920	160,011
Tax effects on non-IFRS adjustments	(78,150)	(31,226)
Non-IFRS profit for the year	4,135,439	2,616,292

(1) Represents gains or losses from fair value changes on equity investments and derivatives measured at fair value. Multiple valuation techniques and key inputs are used to determine the fair values of these investments.

Liquidity and capital resources

For the year ended December 31, 2023, we funded our cash requirements principally from cash generated from operating activities. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB18.7 billion and RMB15.0 billion as of December 31, 2022 and 2023, respectively.

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

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Net cash generated from operating activities	4,604,778	5,905,149
Net cash used in investing activities	(8,022,885)	(4,235,541)
Net cash used in financing activities	(117,202)	(925,449)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(3,535,309)	744,159
Cash and cash equivalents at the beginning of the year	18,717,724	17,252,295
Effects of foreign exchange rate changes	(145,382)	721,270
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	15,037,033	18,717,724

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 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 2022, net cash generated from operating activities was RMB5.9 billion, which was primarily attributable to our profit for the year of RMB0.4 billion, as adjusted by (i) non-cash and non-operating items, which primarily consisted of share-based payment expenses of RMB2.1 billion, and (ii) changes in working capital, which primarily resulted from an increase in trade payables of RMB5.0 billion and an increase in accrued expenses and other payables of RMB2.1 billion, partially offset by an increase in inventories of RMB3.2 billion and an increase in prepayments, other receivables and other assets of RMB1.4 billion.

Net cash used in investing activities

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.

In 2022, net cash used in investing activities was RMB4.2 billion, which was primarily attributable to placement of term deposits of RMB27.1 billion, purchase of financial assets at FVTPL of RMB5.3 billion, intangible assets of RMB2.2 billion and financial assets at amortized cost of RMB0.7 billion, partially offset by maturity of term deposits of RMB26.4 billion and financial assets at FVTPL of RMB4.7 billion.

Net cash used in financing activities

Net cash used in financing activities decreased from RMB925.4 million in 2022 to RMB117.2 million in 2023, primarily due to a decrease in the payment on repurchase of shares.

Gearing ratio

As of December 31, 2023, 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 at December 31, 2023) during the year ended December 31, 2023.

Material acquisitions and/or disposals of subsidiaries and affiliated companies

As disclosed in the Prospectus, in April 2020, we entered into a series of agreements with Tangshan Hongci Healthcare Management Co., Ltd. (“**Tangshan Hongci**”) and its shareholder (the “**Existing Shareholder**”), pursuant to which we injected approximately RMB668 million in cash to Tangshan Hongci in exchange for a 49% equity interest in Tangshan Hongci in June 2020. In connection with our equity investments in Tangshan Hongci in 2020, the Group granted a put option (the “**Put Option**”) to the Existing Shareholder, pursuant to which the Existing Shareholder shall have the right to request the Group to buy out its shares at a pre-determined schedule with the put price calculated based on a pre-determined formula when Tangshan Hongci achieves certain pre-determined operating targets.

Pursuant to the exercise of the Put Option, in December 2023, we entered into an agreement with the Existing Shareholder to acquire the remaining 51% equity interest in Tangshan Hongci (the “**Acquisition**”). As of the date of this announcement, the Acquisition has not been completed.

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, 2023.

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, 2023, 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, 2023 was 3,118 (December 31, 2022: 2,739).

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 employees, 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, 2023 were RMB2.9 billion, as compared to RMB3.1 billion for the year ended December 31, 2022.

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, 2023, exchange gains and losses from those foreign currency transactions denominated in a currency other than the functional currency were insignificant.

Contingent liabilities

Save as disclosed above, as of December 31, 2023, we did not have any material contingent liabilities or guarantees.

Borrowings

As of December 31, 2023, we had no outstanding borrowings.

Significant events after December 31, 2023

At the date of this announcement, there were no other significant events that might affect the Group since December 31, 2023.

FINANCIAL INFORMATION

Consolidated statement of profit or loss

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	53,529,941	46,736,150
Cost of revenue	(41,664,605)	(36,844,642)
	<hr/>	<hr/>
Gross profit	11,865,336	9,891,508
Fulfillment expenses	(5,284,786)	(4,521,959)
Selling and marketing expenses	(2,654,973)	(2,195,764)
Research and development expenses	(1,226,494)	(1,067,174)
General and administrative expenses	(1,998,376)	(2,153,529)
Other income and gains, net	193,710	82,521
Finance income	1,949,032	864,266
Finance costs	(9,485)	(9,099)
Impairment losses under expected credit loss model, net of reversal	(69,859)	(98,202)
Share of results of associates and joint ventures	(70,757)	(96,759)
	<hr/>	<hr/>
Profit before income tax	2,693,348	695,809
Income tax expense	(550,468)	(312,580)
	<hr/>	<hr/>
Profit for the year	2,142,880	383,229
	<hr/> <hr/>	<hr/> <hr/>
Profit for the year attributable to:		
Owners of the Company	2,141,841	380,105
Non-controlling interests	1,039	3,124
	<hr/>	<hr/>
	2,142,880	383,229
	<hr/> <hr/>	<hr/> <hr/>
	<i>RMB</i>	<i>RMB</i>
Earnings per share		
Basic	0.69	0.12
	<hr/> <hr/>	<hr/> <hr/>
Diluted	0.68	0.12
	<hr/> <hr/>	<hr/> <hr/>

Consolidated statement of comprehensive income

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	2,142,880	383,229
Other comprehensive income/(loss)		
<i>Items that will not be reclassified to profit or loss:</i>		
Exchange differences on translation from functional currency to presentation currency	709,755	3,390,001
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(31,334)	(90,364)
Other comprehensive income for the year	678,421	3,299,637
Total comprehensive income for the year	2,821,301	3,682,866
Total comprehensive income for the year attributable to:		
Owners of the Company	2,820,262	3,679,742
Non-controlling interests	1,039	3,124
	2,821,301	3,682,866

Consolidated statement of financial position

	As of December 31,	
	2023	2022
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property and equipment	88,792	46,643
Right-of-use assets	199,204	205,268
Intangible assets	2,182,200	2,268,011
Investments in associates	3,412	3,179
Investments in joint ventures	345,055	415,295
Financial assets at fair value through profit or loss	1,115,916	1,204,690
Deferred tax assets	299,825	208,465
Prepayments, other receivables and other assets	12,204,005	478,586
Total non-current assets	16,438,409	4,830,137
Current assets		
Inventories	5,084,574	5,996,269
Trade and note receivables	347,962	954,958
Prepayments, other receivables and other assets	1,913,575	2,496,721
Financial assets at fair value through profit or loss	9,384,793	1,003,061
Term deposits	16,066,577	27,245,424
Restricted cash	15,377	33,002
Cash and cash equivalents	15,037,033	18,717,724
Total current assets	47,849,891	56,447,159
Total assets	64,288,300	61,277,296

Consolidated statement of financial position — continued

	As of December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY AND LIABILITIES		
Equity		
Share capital	11	11
Treasury shares	(92,573)	(34,297)
Reserves	66,784,340	64,196,597
Accumulated losses	(17,336,026)	(19,382,063)
	<hr/>	<hr/>
Equity attributable to owners of the Company	49,355,752	44,780,248
Non-controlling interests	14,512	4,314
	<hr/>	<hr/>
Total equity	49,370,264	44,784,562
	<hr/>	<hr/>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	213,606	7,819
Lease liabilities	119,431	128,761
	<hr/>	<hr/>
Total non-current liabilities	333,037	136,580
	<hr/>	<hr/>
Current liabilities		
Trade payables	9,660,450	10,526,029
Income tax payables	337,543	380,186
Contract liabilities	405,604	1,374,953
Financial liabilities at fair value through profit or loss	—	108,927
Lease liabilities	95,323	70,649
Accrued expenses and other payables	4,086,079	3,895,410
	<hr/>	<hr/>
Total current liabilities	14,584,999	16,356,154
	<hr/>	<hr/>
Total liabilities	14,918,036	16,492,734
	<hr/>	<hr/>
Total equity and liabilities	64,288,300	61,277,296
	<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 new and 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, 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	<i>Insurance Contracts</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform-Pillar Two model Rules¹</i>

1. The Group would continually evaluate the impact of the amendments on the consolidated financial statements.

Except for the amendments to IFRSs mentioned above, 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

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Type of goods or services		
Product revenue:		
Sales of pharmaceutical and healthcare products	45,652,922	40,366,661
Service revenue:		
Marketplace, advertising and other services	7,877,019	6,369,489
	<u>53,529,941</u>	<u>46,736,150</u>
Timing of revenue recognition		
A point in time	53,055,774	46,163,917
Overtime	474,167	572,233
	<u>53,529,941</u>	<u>46,736,150</u>

Profit before income tax

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold	41,366,786	36,340,928
Employee benefit expenses	2,877,031	3,117,187
Expenses of logistics and warehousing services	3,509,732	2,917,396
Expenses of technology and traffic support services provided by JD Group	2,056,136	1,770,198
Expenses of promotion and advertising	1,304,873	922,224
Expenses of payment services	435,718	415,755
Depreciation of property and equipment, right-of-use assets and amortization of intangible assets	227,458	140,676
Provision for impairment of inventories and advance to suppliers	77,417	356,377
Auditor's remuneration	7,860	7,559

Income tax expense

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Current tax	454,265	414,386
Deferred tax	96,203	(101,806)
	<u>550,468</u>	<u>312,580</u>

Earnings per share

	Year ended December 31,	
	2023	2022
Numerator		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share (RMB'000)	<u>2,141,841</u>	<u>380,105</u>
Denominator		
Weighted average number of ordinary shares for the purpose of basic earnings per share (thousand shares)	3,123,736	3,106,937
Add: Effect of dilutive potential ordinary share: share options and RSUs granted (thousand shares)	<u>40,249</u>	<u>37,439</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share (thousand shares)	<u>3,163,985</u>	<u>3,144,376</u>
Basic earnings per share attributable to owners of the Company (RMB per share)	<u>0.69</u>	<u>0.12</u>
Diluted earnings per share attributable to owners of the Company (RMB per share)	<u>0.68</u>	<u>0.12</u>

Trade and note receivables

	As of December 31,	
	2023	2022
	RMB'000	RMB'000
Trade receivables from third parties	528,454	773,575
Trade receivables from a related party	31,189	18,275
Note receivables	1,101	306,031
Less: allowance for expected credit loss (“ECL”)	(212,782)	(142,923)
	<u>347,962</u>	<u>954,958</u>

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

	As of December 31,	
	2023	2022
	RMB'000	RMB'000
Within 3 months	303,507	519,165
3 to 6 months	45,741	182,139
6 to 12 months	40,271	55,313
Over 12 months	138,935	16,958
	<u>528,454</u>	<u>773,575</u>
Less: allowance for ECL	(212,782)	(142,923)
	<u>315,672</u>	<u>630,652</u>

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:

	As of December 31,	
	2023	2022
	RMB'000	RMB'000
Within 3 months	9,210,796	8,817,716
3 to 6 months	241,535	1,589,398
Over 6 months	208,119	118,915
	<u>9,660,450</u>	<u>10,526,029</u>

Dividends

No dividend was paid or proposed for ordinary shareholders of the Company during 2023, nor has any dividend been proposed since the end of the reporting period (2022: none).

COMPLIANCE WITH 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 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, 2023 (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, 2023.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect to the Group's consolidated results for the year ended December 31, 2023 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, 2023 as approved by the Board on March 20, 2024. 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, 2023 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.

FINAL DIVIDEND

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2023.

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.

As disclosed in the Company's announcement dated November 29, 2023 (the “**Change in Use of Proceeds Announcement**”), after careful consideration and detailed evaluation of the Company's operations and business strategy, the Board has resolved to re-allocate the unutilized portion of approximately RMB7.7 billion 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 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 at December 31, 2023:

Purpose	Allocation of Net Proceeds before the Change in Use of Net Proceeds (RMB million)	Unutilized amount as at January 1, 2023 (RMB million)	Utilized amount as at Change in Use of Proceeds (RMB million)	Unutilized amount as at Change in Use of Proceeds (RMB million)	Allocation of the Unutilized Net Proceeds after the Change in Use of Net Proceeds (RMB million)	Amount	Unutilized amount as at December 31, 2023 (RMB million)
						utilized from Change in Use of Proceeds Announcement to December 31, 2023 (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	6,454	8,992	1,296	9,010	1,375	7,635
Research and development	7,716	7,716	2	7,714	—	—	—
Potential investments and acquisitions or strategic alliances	5,144	2,911	2,233	2,911	2,911	—	2,911
Working capital needs and general corporate purpose	2,573	648	1,925	648	648	69	579
	<u>25,721</u>	<u>17,729</u>	<u>13,152</u>	<u>12,569</u>	<u>12,569</u>	<u>1,444</u>	<u>11,125</u>

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 and the website of the Company at ir.jdhealth.com. The Annual Report will be published on the aforesaid websites of the Hong Kong Stock Exchange and the Company and will be dispatched to the Shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

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

Hong Kong, March 20, 2024

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