

JDH 京东健康

JD Health International Inc.

京东健康股份有限公司

(於開曼群島註冊成立的有限公司) (A company incorporated in the Cayman Islands with limited liability)

股份代號：6618 (港幣櫃台) 及 86618 (人民幣櫃台)

Stock Codes: 6618 (HKD counter) and 86618 (RMB counter)

 2024
中期報告
Interim Report



CONTENTS

2	Corporate Information
4	Management Discussion and Analysis
14	Other Information
28	Report on Review of Condensed Consolidated Financial Statements
29	Condensed Consolidated Statement of Profit or Loss
30	Condensed Consolidated Statement of Comprehensive Income
31	Condensed Consolidated Statement of Financial Position
33	Condensed Consolidated Statement of Changes in Equity
34	Condensed Consolidated Statement of Cash Flows
35	Notes to the Condensed Consolidated Financial Statements
57	Definitions

CORPORATE INFORMATION

Board of Directors

Executive Director

Enlin Jin (金恩林) (*Chief Executive Officer*)

Non-Executive Directors

Richard Qiangdong Liu (劉強東) (*Chairman*)

Qingqing Yi

Independent Non-Executive Directors

Xingyao Chen (陳興垚)

Ling Li (李玲)

Jiyu Zhang (張吉豫)

Ying Wu (吳鷹)

George Lau (廖家傑) (*appointed on August 15, 2024*)

Audit Committee

Xingyao Chen (陳興垚) (*Chairperson*)

Jiyu Zhang (張吉豫)

Ling Li (李玲)

Remuneration Committee

Ling Li (李玲) (*Chairperson*)

Enlin Jin (金恩林)

Ying Wu (吳鷹)

Nomination Committee

Richard Qiangdong Liu (劉強東) (*Chairperson*)

Jiyu Zhang (張吉豫)

Ying Wu (吳鷹)

Company secretary

Ming King Chiu (趙明璟)

Authorized representatives

Enlin Jin (金恩林)

Ming King Chiu (趙明璟)

Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

Registered office

PO Box 309

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Grand Cayman KY1-1104

Cayman Islands

Headquarter

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No. 20 Kechuang 11 Street

Yizhuang Economic and Technological Development Zone

Daxing District

Beijing 101111

People's Republic of China

Principal place of business in Hong Kong

Room 1901, 19/F

Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

Legal advisors

As to Hong Kong law and United States law

Skadden, Arps, Slate, Meagher & Flom and affiliates

As to PRC law

Shihui Partners

As to Cayman Islands law

Maples and Calder (Hong Kong) LLP

Principal share registrar and transfer office

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

Hong Kong share registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Principal bankers

Bank of China Limited, Head Office
China Construction Bank Corporation
Standard Chartered Bank (China) Limited

Stock codes

6618 (HKD counter)
86618 (RMB counter)

Company website

<https://ir.jdhealth.com>

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

In the first half of 2024, the “Internet + Healthcare” industry advanced in line with regulations, delivering greater value to society. Internet-based pharmacies and medical consultations are now a standard part of everyday life, with consumers increasingly seeking out healthcare products and services online.

From a policy perspective, relevant government authorities have provided strong ongoing support for the healthcare industry’s high-quality development. The Key Tasks for Deepening Medical and Health System Reform in 2024 (《深化醫藥衛生體制改革 2024 年重點工作任務》) issued by the General Office of the State Council focuses on the synergistic development and governance of medical insurance, healthcare and pharmaceuticals. It underscores the significant role of information technology and digitization in empowering the implementation of medical and healthcare reforms. Meanwhile, various local governments have launched policies to promote medical service innovation through technological empowerment. For instance, the Implementation Measures for the Administration of Internet Diagnosis and Treatment in Hainan Province (《海南省互聯網診療管理實施辦法》) expressly encourages online hospitals to standardize the responsible use of artificial intelligence (AI) technology and digital therapies to assist physicians in diagnosis and treatment. In terms of demand, digital technology development has made online healthcare services more convenient and accessible. According to the 53rd Statistical Report on China’s Internet Development (《中國互聯網發展狀況統計報告》), which also suggests that convenient access to professional information, such as medical and health information, has become the major factor prompting China’s non-Internet users to go online. As of December 2023, the size of China’s online healthcare user base had increased significantly.

As an industry-leading healthcare enterprise, JD Health responds to the needs of the public, building a technology-driven platform that integrates online and offline healthcare services. We are committed to providing high-quality, easily accessible, and affordable medical and healthcare services through our innovative business model. During the Reporting Period, the total revenue of the Group reached RMB28.3 billion, representing year-over-year growth of 4.6%. The number of annual active user accounts for the 12 months ended June 30, 2024 reached 181 million and the average daily online consultation volume surpassed 480,000 in the first half of the year.

Retail pharmacy

We continued to strengthen our retail business model encompassing direct sales, online marketplace and on-demand retail, capitalizing on our supply chain capabilities to enrich our product offerings while maintaining competitive pricing. During the Reporting Period, we grew our partnerships with industry-leading pharmaceutical companies and healthcare product suppliers, further elevating consumers’ awareness and brand recognition. Focusing on user experience, we introduced several services aimed at improving user satisfaction, which consistently built user trust. We continued to strengthen our omnichannel strategy and expand service scenarios to broaden our user reach while creating new growth opportunities for our brand partners.

Management Discussion and Analysis (Continued)

Direct sales and online marketplace

During the Reporting Period, we further solidified our industry-leading supply chain capabilities by expanding warehousing networks nationwide and strengthening our directly-operated cold chain fulfillment capabilities. Leveraging advanced digital marketing tools, we thoroughly assessed user needs to achieve precise user preference alignment, further promoting cross-category selling and repeated purchases among users. We continued to make progress in building a differentiated platform ecosystem by harnessing the synergies between our online marketplace and direct sales business, which helped sustain our high-quality growth alongside our merchants. We saw fast growth of onboarded and active third-party merchants, with the total number joining our online marketplace reaching 80,000 as of June 30, 2024.

In terms of pharmaceuticals, JD Health has comprehensively deepened its cooperation with diverse pharmaceutical companies worldwide, fully empowering our partners' brands via new and specialty drug launches, omnichannel expansion, and digital marketing. During the Reporting Period, several new and specialty drugs debuted on JD Pharmacy, including Sinqi's 0.01% Atropine Sulfate Eye Drop, MyOpine®, Sanofi's new drug ZENON®, and GeneScience's new drug Megaxia®. In June 2024, we sold the first domestic order of Leqembi®, a targeted drug for Alzheimer's disease treatment, highlighting JD Health's advanced omnichannel supply chain capabilities and the value of our professional services in the pharmaceutical field. We also collaborated with various traditional Chinese medicine brands during the Reporting Period, leveraging initiatives such as collaborative promotions to precisely capture user demand and achieve efficient traffic conversion by diving deep into users' health consumption needs.

During the Reporting Period, we also entered strategic cooperation agreements with over 10 medical device brands. To jointly tap into business growth opportunities, JD Health will lend its user insights and omnichannel supply chain capabilities to in-depth collaboration with these partners across product launches, product development and precision marketing. Furthermore, JD Health launched a senior healthcare channel to build up a comprehensive, effective and convenient ecosystem for elder-focused healthcare products and services, providing users with quality healthcare products covering 30,000 brands across thousands of related subcategories. With upgraded senior-friendly customer services such as the installation service of at-home medical devices, we delivered unparalleled shopping experiences to the elderly. During the Reporting Period, we also advanced our integrated online and offline omnichannel initiative with the opening of two offline hearing centers operated by JD Health, offering users professional services such as online hearing aid selection, offline fitting, and hearing tests and consultation services, for a one-stop shopping experience.

In the first half of 2024, JD Health upgraded an array of customer services, consistently earning customer recognition with its professional, caring and reliable experiences. We introduced an innovative free exchange service for expired products, covering a wide range of items such as pharmaceuticals, tonics, and health supplements. For medical devices, we launched after-sales service guarantees including a 365-day replacement-without-repair policy and a trade-in program to encourage new purchases. For this year's "618" Grand Promotion, we also upgraded our "Nutritionist Consultation" (問營養師) service to provide users with professional and personalized nutritional consultation and suggestions on dosage, precautions and related medical knowledge. At present, we have built China's largest online service platform and attracted nearly 1,000 dietitians and nutritionists, responding 95% of customer inquiries within 30 seconds. These services have received up to a 98% positive user satisfaction rating.

Management Discussion and Analysis (Continued)

On-demand retail

As an industry-leading, innovative healthcare service provider, JD Health continues to iterate its retail business model, boosting efficiency by refining its integrated online and offline service system. During the Reporting Period, we have accelerated the expansion of onboarded merchants and self-operated pharmacies with improved operating efficiency, upgrading the instant delivery service standard to “as fast as 9 minutes with a 28-minute average delivery time”. As of June 30, 2024, JD Health had partnered with over 150,000 pharmacies nationwide to provide 24-hour, on-demand services across more than 490 cities. We also responded proactively to public demand and policy guidance by enabling medical insurance payments for online purchases in Beijing, Shanghai and Dongguan. In May 2024, we debuted our medical insurance payment pilot project in Beijing, allowing real-time online settlement of reimbursable medical expenses for O2O orders placed by residents covered by local basic medical insurance. As of June 30, 2024, over 350 medical insurance-designated retail pharmacies had joined the JD platform and the service network had extended to cover all administrative districts in Beijing. This expansion made JD Health the medical service platform featuring the largest number of member stores, the broadest user coverage and the fastest O2O service provider in Beijing.

Healthcare services

In the first half of 2024, JD Health continued to accelerate the innovative application of healthcare large language models (LLMs) and other technologies across its medical and healthcare services, further improving the quality and efficiency of online consultations. Furthermore, we consistently deepened our expertise in key online hospital specialties and refined our at-home service experience to cater to our users’ diverse healthcare needs.

Integrated online and offline medical services

During the Reporting Period, JD Health continued to explore innovative online medical service models, further validating its service capabilities and value in online specialty care services. Among our various specialties, our online dermatology care center has established four departments and 49 expert clinics serving over 15 million patients since inception, with a cross-departmental consultation rate of over 20%. As of June 30, 2024, JD Health Online Hospital’s average daily online consultation volume had exceeded 480,000.

Innovation is the key driver propelling the advancement of JD Health’s online medical services. In the first half of 2024, we continued to diversify our at-home testing offerings and optimized the service process, creating a one-stop at-home healthcare service experience for users by integrating healthcare scenarios, including online consultations and purchases of pharmaceuticals and healthcare products. Looking ahead, JD Health is poised to further expand its home-based service scenarios and service offerings, including at-home nursing and specialized care services.

Smart healthcare solutions and digital health

During the Reporting Period, JD Health made significant progress with its “Jingyi Qianxun” (京醫千詢) LLM and continued to iterate and optimize the application of intelligent physician assistant products and digital therapy products. We also deepened our strategic cooperation with the First Affiliated Hospital of Wenzhou Medical University. Our jointly developed “Pre-diagnostic Digital Doctor Based on Large Language Model” (基於大語言模型的診前數字醫生) was selected as a reference case for innovative application of emerging technologies in hospitals at the China Hospital Information Network Conference 2024 (CHIMA2024). Furthermore, we launched and promoted various healthcare LLM applications, including AI therapists, AI-assisted diagnostic tools and digital management tools, to improve online doctors’ consultation efficiency and reduce users’ medical costs.

Management Discussion and Analysis (Continued)

We also advanced digital health management for corporate employees. During the Reporting Period, we provided corporate employee health management solutions for Shandong Energy Group Co., Ltd. (山東能源發展服務集團), offering convenient and quality medical and healthcare services to mining employees working in remote areas. Through a joint initiative, we built a total of eight health stations equipped with intelligent health examination equipment and therapeutic devices, providing integrated services including health assessments, rehabilitation therapy, and easily accessible, 24/7 online medical consultations. We also cooperated with China Galaxy Securities to equip more than 100 business outlets across China with AED devices and launched a first-aid training program for nearly 1,000 volunteers.

Public welfare and corporate social responsibility

In the first half of 2024, JD Health launched several public welfare programs to fulfill its social responsibilities. In response to the dynamic needs of China's aging population, JD Health teamed up with partners to initiate the "Sit and Bathe" (坐著洗澡) public welfare project and donated the project's initial 2,000 bathing chairs, promoting societal awareness of and home modifications for senior accessibility. For rare diseases, we continued to promote digital screening, new and specialty drug launches and public welfare fund assistance to offer patients suffering from rare diseases greater access to diagnosis, medication and financial aid.

Prospects

As an industry-leading healthcare service provider, we will continue to refine the "retail pharmacy + healthcare service" ecosystem while advancing tech-driven innovation. We remain firmly committed to providing accessible, convenient and affordable healthcare products and services to our users.

For the retail pharmacy business, we will focus on business synergies and complementary strengths among our direct sales, online marketplace and omnichannel initiative. To this end, we will continue to strengthen our industry-leading supply chain system and join hands with a wider array of brands and merchant partners to comprehensively enhance access to quality healthcare products. In terms of healthcare services, we will connect with a broader range of healthcare service providers, doctors, dieticians and pharmacists to further expand the supply of high-quality healthcare services. Furthermore, we will leverage LLMs and AI to consistently optimize our digital and intelligent solutions, reducing service costs for a wider consumer demographic while accelerating progress in healthcare inclusivity.

Going forward, JD Health will remain committed to its business philosophy of "trust-based value creation centered on customers' health". Through close cooperation with upstream and downstream partners, we will continue to open up our supply chain infrastructure and healthcare service capabilities to jointly establish an innovative and integrated healthcare service ecosystem. This approach ensures that we will advance together with consumers, industry stakeholders, our partners, society and the environment as a whole toward a more sustainable future.

Management Discussion and Analysis (Continued)

Financial review

Revenue

Our revenue increased by 4.6% from RMB27.1 billion for the six months ended June 30, 2023 to RMB28.3 billion for the six months ended June 30, 2024. Our revenue increased by 14.6% from RMB13.2 billion for the three months ended June 30, 2023 to RMB15.1 billion for the three months ended June 30, 2024.

The increase in our total revenue was primarily due to an increase by 3.2% in products revenue from sales of pharmaceutical and healthcare products from RMB23.2 billion for the six months ended June 30, 2023 to RMB23.9 billion for the six months ended June 30, 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 12.5% from RMB3.9 billion for the six months ended June 30, 2023 to RMB4.4 billion for the six months ended June 30, 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 3.5% from RMB20.9 billion for the six months ended June 30, 2023 to RMB21.6 billion for the six months ended June 30, 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 RMB6.2 billion for the six months ended June 30, 2023, representing a gross profit margin of 22.9%, and a gross profit of RMB6.7 billion for the six months ended June 30, 2024, representing a gross profit margin of 23.6%. The increase in the gross profit margin was primarily due to changes in the revenue mix.

Fulfillment expenses

Our fulfillment expenses increased by 14.4% from RMB2.6 billion for the six months ended June 30, 2023 to RMB2.9 billion for the six months ended June 30, 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 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 9.5% for the six months ended June 30, 2023 to 10.4% for the six months ended June 30, 2024. The increase was in relation to the adoption of a lower threshold for free shipping services.

Management Discussion and Analysis (Continued)

Selling and marketing expenses

Our selling and marketing expenses increased by 17.5% from RMB1.2 billion for the six months ended June 30, 2023 to RMB1.4 billion for the six months ended June 30, 2024. The increase was primarily due to an increase in expenses of promotion and advertising. Selling and marketing expenses as a percentage of revenue increased from 4.4% for the six months ended June 30, 2023 to 5.0% for the six months ended June 30, 2024.

Research and development expenses

Our research and development expenses increased by 4.6% from RMB616.9 million for the six months ended June 30, 2023 to RMB645.0 million for the six months ended June 30, 2024. The increase was primarily attributable to 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 as 2.3% for the six months ended June 30, 2023 and 2024.

General and administrative expenses

Our general and administrative expenses decreased by 21.9% from RMB876.8 million for the six months ended June 30, 2023 to RMB685.1 million for the six months ended June 30, 2024, primarily attributable to a decrease of share-based payment expenses. General and administrative expenses as a percentage of revenue decreased from 3.2% for the six months ended June 30, 2023 to 2.4% for the six months ended June 30, 2024.

Finance income

Our finance income increased by 5.7% from RMB936.5 million for the six months ended June 30, 2023 to RMB989.5 million for the six months ended June 30, 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 50.4% from RMB269.2 million for the six months ended June 30, 2023 to RMB405.0 million for the six months ended June 30, 2024, primarily due to the net increase of deferred income tax, partially offset by the decrease of taxable income.

Profit for the period

As a result of the foregoing, we incurred a profit of RMB1,562.0 million for the six months ended June 30, 2023 and a profit of RMB2,034.4 million for the six months ended June 30, 2024.

Non-IFRS Measures

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

Management Discussion and Analysis (Continued)

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 RMB1,035.0 million for the six months ended June 30, 2024, compared to RMB879.2 million for the six months ended June 30, 2023. Our non-IFRS operating income was RMB1,584.6 million for the six months ended June 30, 2024, compared to RMB1,681.5 million for the six months ended June 30, 2023. Our operating income was RMB547.7 million for the three months ended June 30, 2024, compared to RMB83.8 million for the three months ended June 30, 2023. Our non-IFRS operating income was RMB830.3 million for the three months ended June 30, 2024, compared to RMB524.5 million for the three months ended June 30, 2023.

The following table reconciles the most directly comparable financial measure, which is profit for the period, calculated and presented in accordance with IFRSs, to the non-IFRS profit for the six months ended June 30, 2024 and 2023:

	For the six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
Reconciliation of profit to non-IFRS profit:		
Profit for the period	2,034,378	1,561,992
Add:		
Share-based payment expenses	549,631	802,223
— <i>Fulfillment expenses</i>	39,835	58,468
— <i>Selling and marketing expenses</i>	14,514	19,410
— <i>Research and development expenses</i>	35,128	49,285
— <i>General and administrative expenses</i>	460,154	675,060
Fair value changes for financial assets and financial liabilities at fair value through profit or loss (“ FVTPL ”) except for wealth management products ⁽¹⁾	(3,211)	56,272
Tax effects on non-IFRS adjustments	62,972	15,173
Non-IFRS profit for the period	2,643,770	2,435,660

(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.

Management Discussion and Analysis (Continued)

Liquidity and capital resources

For the six months ended June 30, 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 RMB8.8 billion and RMB15.0 billion as of June 30, 2024 and December 31, 2023, 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 RMB56.4 billion and RMB53.7 billion as of June 30, 2024 and December 31, 2023, respectively.

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

	For the six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
Net cash generated from operating activities	2,230,154	368,079
Net cash used in investing activities	(8,372,841)	(7,240,181)
Net cash used in financing activities	(21,793)	(18,521)
Net decrease in cash and cash equivalents	(6,164,480)	(6,890,623)
Cash and cash equivalents at the beginning of the period	15,037,033	18,717,724
Effects of foreign exchange rate changes on cash and cash equivalents	(29,461)	68,665
Cash and cash equivalents at the end of the period	8,843,092	11,895,766

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).

Net cash generated from operating activities

For the six months ended June 30, 2024, our net cash generated from operating activities was RMB2.2 billion, which was primarily attributable to the profit for the period of RMB2.0 billion, as adjusted by (i) net decrease adjustments by non-cash and non-operating items of RMB0.4 billion, which primarily consisted of finance income, partially offset by share-based payment expenses, and (ii) net increase adjustments by working capital. In addition, interest received was RMB0.9 billion, partially offset by income tax paid of RMB0.4 billion.

For the six months ended June 30, 2023, net cash generated from operating activities was RMB0.4 billion, which was primarily attributable to the profit for the period of RMB1.6 billion, as adjusted by (i) net increase adjustments by non-cash and non-operating items of RMB0.6 billion, which primarily consisted of share-based payment expenses, partially offset by finance income, and (ii) net decrease adjustments by working capital of RMB1.9 billion, which primarily resulted from changes in trade payables, other payables and inventories. In addition, interest received was RMB0.5 billion, partially offset by income tax paid of RMB0.4 billion.

Management Discussion and Analysis (Continued)

Net cash used in investing activities

For the six months ended June 30, 2024, net cash used in investing activities was RMB8.4 billion, which was primarily attributable to net cash paid for purchase of term deposits of RMB5.7 billion, and net cash paid for purchase of financial assets at FVTPL of RMB2.6 billion.

For the six months ended June 30, 2023, net cash used in investing activities was RMB7.2 billion, which was primarily attributable to net cash paid for placement of term deposits of RMB3.7 billion, net cash paid for purchase of financial assets at FVTPL of RMB2.8 billion, and net cash paid for purchase of financial assets at amortized cost of RMB0.7 billion.

Net cash used in financing activities

For the six months ended June 30, 2024, net cash used in financing activities was RMB21.8 million, which was primarily attributable to principal portion of lease payments of RMB17.8 million.

For the six months ended June 30, 2023, net cash used in financing activities was RMB18.5 million, which was primarily attributable to the principal portion of lease payments of RMB9.4 million.

Gearing ratio

As of June 30, 2024, we had no outstanding borrowings. Therefore, the gearing ratio is not presented herein.

Significant investments held

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 June 30, 2024) during the six months ended June 30, 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**"). Subsequent to June 30, 2024 and up to the date of this report, the Group terminated the Acquisition as certain relevant condition was not fulfilled.

Save as disclosed in this report, we did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the six months ended June 30, 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 June 30, 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 June 30, 2024 was 3,177 (June 30, 2023: 2,751).

Management Discussion and Analysis (Continued)

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 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 six months ended June 30, 2024 were RMB1.2 billion, as compared to RMB1.3 billion for the six months ended June 30, 2023.

Foreign exchange risk

The functional currency of our entities incorporated in the Cayman Islands, British Virgin Islands and Hong Kong is USD. Our PRC subsidiaries and consolidated affiliated entities determined their functional currency to be 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 six months ended June 30, 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 June 30, 2024, we did not have any material contingent liabilities or guarantees.

Borrowings

As of June 30, 2024, we had no outstanding borrowings.

OTHER INFORMATION

Directors' and chief executives' interests and short positions in shares and underlying shares and debentures of the Company or any of its associated corporations

As of June 30, 2024, the interests and short positions of the Directors and chief executives in the shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interest in the Company

Name of Director	Nature of interest	Number of Shares	Approximate % of holding ⁽⁸⁾
Enlin Jin (金恩林)	Beneficial owner ⁽¹⁾	796,853 ^(L)	0.02
Richard Qiangdong Liu (劉強東)	Interest in a controlled corporation ⁽²⁾ ; Beneficial owner ⁽³⁾	2,184,655,829 ^(L)	68.50
Xingyao Chen (陳興堯)	Beneficial owner ⁽⁴⁾	27,145 ^(L)	0.00
Ling Li (李玲)	Beneficial owner ⁽⁵⁾	27,145 ^(L)	0.00
Jiyu Zhang (張吉豫)	Beneficial owner ⁽⁶⁾	33,719 ^(L)	0.00
Ying Wu (吳鷹)	Beneficial owner ⁽⁷⁾	16,467 ^(L)	0.00

Notes:

- (1) Includes Mr. Enlin Jin (金恩林)'s entitlement to receive up to 94,418 Shares pursuant to the exercise of options granted to him under the Pre-IPO ESOP, subject to the conditions (including vesting conditions) of those options; and up to 374,335 Shares pursuant to the vesting of the Award Shares granted to him under the Post-IPO Share Award Scheme, subject to the conditions (including vesting conditions) of those Award Shares.
- (2) JD Jiankang, which holds 2,149,253,732 Shares, is wholly-owned by JD.com. As of June 30, 2024, Mr. Richard Qiangdong Liu (劉強東) is interested in approximately 71.5% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.
- (3) Includes Mr. Richard Qiangdong Liu (劉強東)'s entitlement to receive up to 26,521,259 Shares pursuant to the exercise of options granted to him under the Pre-IPO ESOP, subject to the conditions (including vesting conditions) of those options.
- (4) Includes Mr. Xingyao Chen (陳興堯)'s entitlement to receive up to 21,496 Shares pursuant to the vesting of the Award Shares granted to him under the Post-IPO Share Award Scheme, subject to the conditions (including vesting conditions) of those Award Shares.
- (5) Includes Ms. Ling Li (李玲)'s entitlement to receive up to 21,496 Shares pursuant to the vesting of the Award Shares granted to her under the Post-IPO Share Award Scheme, subject to the conditions (including vesting conditions) of those Award Shares.
- (6) Includes Dr. Jiyu Zhang (張吉豫)'s entitlement to receive up to 27,674 Shares pursuant to the vesting of the Award Shares granted to her under the Post-IPO Share Award Scheme, subject to the conditions (including vesting conditions) of those Award Shares.
- (7) Includes Mr. Ying Wu (吳鷹)'s entitlement to receive up to 6,823 Shares pursuant to the vesting of the Award Shares granted to him under the Post-IPO Share Award Scheme, subject to the conditions (including vesting conditions) of those Award Shares.
- (8) The percentages are calculated on the basis of 3,189,465,111 Shares in issue as of June 30, 2024.
- (9) (L) denotes a long position in the Shares.

Other Information (Continued)

(ii) Interests in the underlying shares of associated corporations of the Company

The Company has been granted (i) a certificate of exemption from strict compliance with Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO) to the directors or chief executives of the Company who is/are also a director or chief executive of JD.com (the “**Common Directors/Chief Executives**”) with respect to their disclosure of interest, and short positions, in any shares in JD.com and associated corporations of the Company which are subsidiaries of JD.com (the “**Associated Corporations**”), and (ii) a waiver from strict compliance with Practice Note 5 and paragraphs 41(4) and 45 of Part A of Appendix 1 to the Listing Rules such that the Common Directors/Chief Executives will not be required to disclose their interests and short positions in any shares or underlying shares in the Associated Corporations in accordance with Part XV of the SFO (the “**DI Waivers**”). Further details regarding the waiver and exemption in relation to disclosure of interests information (including the conditions of such waiver and exemption) are set out in the section headed “Waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver and exemption in relation to disclosure of interests information” in the Prospectus.

Except as specifically noted, the following table sets forth the directors’ or chief executives’ beneficial ownership of JD.com’s Class A ordinary shares and Class B ordinary shares as of June 30, 2024.

Beneficial ownership is determined in accordance with the rules and regulations of the U.S. SEC. In computing the number of shares beneficially owned by a person and the percentage ownership and voting power percentage of that person, JD.com has included shares and associated votes that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares and associated votes, however, are not included in the computation of the percentage ownership of any other person. Ordinary shares held by a shareholder are determined in accordance with JD.com’s register of members.

Director	Ordinary shares beneficially owned*				
	Class A ordinary shares	Class B ordinary shares	Total ordinary shares	% of beneficial ownership	% of aggregate voting power ^{#(4)}
Richard Qiangdong Liu (劉強東)	37,374,550 ⁽¹⁾	305,630,780 ⁽¹⁾	343,005,330 ⁽¹⁾	11.6 ⁽¹⁾	71.5 ⁽²⁾⁽³⁾

Notes:

For each person and group included in this column, percentage of aggregate voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of the Class A ordinary shares and Class B ordinary shares as a single class.

* Beneficial ownership information disclosed herein represents direct and indirect holdings of entities owned, controlled or otherwise affiliated with the applicable holder as determined in accordance with the rules and regulations of the U.S. SEC.

Other Information (Continued)

- (1) Represents (i) 11,487,275 ADSs (each representing two Class A ordinary shares), representing 22,974,550 Class A ordinary shares, held by Max Smart Limited, (ii) 14,400,000 Class A ordinary shares that Mr. Richard Qiangdong Liu (劉強東) had the right to acquire upon exercise of options that shall have become vested within 60 days after June 30, 2024 and (iii) 305,630,780 Class B ordinary shares held by Max Smart Limited. Max Smart Limited is a BVI company beneficially owned by Mr. Richard Qiangdong Liu through a trust and of which Mr. Richard Qiangdong Liu is the sole director. The ordinary shares beneficially owned by Mr. Richard Qiangdong Liu do not include 17,442,072 Class B ordinary shares held by Fortune Rising Holdings Limited, a BVI company, as described in note (2) below.
- (2) The aggregate voting power includes the voting power with respect to the 17,442,072 Class B ordinary shares held by Fortune Rising Holdings Limited. Mr. Richard Qiangdong Liu (劉強東) is the sole shareholder and the sole director of Fortune Rising Holdings Limited and he may be deemed to beneficially own the voting power with respect to all of the ordinary shares held by Fortune Rising Holdings Limited in accordance with the rules and regulations of the U.S. SEC, notwithstanding the facts described in note (3) below.
- (3) Fortune Rising Holdings Limited holds the 17,442,072 Class B ordinary shares for the purpose of transferring such shares to the plan participants under JD.com's share incentive plan, and administers the awards and acts according to JD.com's instruction. Fortune Rising Holdings Limited exercises the voting power with respect to these shares according to JD.com's instruction. Fortune Rising Holdings Limited is a company incorporated in the BVI. Mr. Richard Qiangdong Liu (劉強東) is the sole shareholder and the sole director of Fortune Rising Holdings Limited.
- (4) The percentage is calculated on the basis of 2,934,703,449 ordinary shares of JD.com outstanding as of June 30, 2024.

The following table lists out the interests of Directors or chief executives (who are not entitled to the DI Waivers) in JD.com, JD Logistics and CNLP, all of which are associated corporations of the Company that are also subsidiaries of JD.com (i.e. fellow subsidiaries), as of June 30, 2024:

Name of Director	Associated corporation	Nature of interest	Number of shares	% of interest in associated corporation
Enlin Jin (金恩林)	JD.com	Beneficial owner ⁽¹⁾	666 ^(L)	0.00
Enlin Jin (金恩林)	JD Logistics	Beneficial owner	28,000 ^(L)	0.00
Richard Qiangdong Liu (劉強東)	JD Logistics	Beneficial owner ⁽²⁾ ; Interest in a controlled corporation ⁽³⁾	4,291,457,805 ^(L)	64.80
Richard Qiangdong Liu (劉強東)	CNLP	Interest in controlled corporation ⁽⁴⁾	3,474,283,058 ^(L)	100.00
Ling Li (李玲)	JD.com	Interest of spouse ⁽⁵⁾	75,890 ^(L)	0.00
Ling Li (李玲)	JD Logistics	Interest of spouse ⁽⁶⁾	49,000 ^(L)	0.00

Notes:

- (1) Represents Mr. Enlin Jin (金恩林)'s entitlement to receive up to 666 shares in JD.com pursuant to restricted share units under the share incentive plan of JD.com.
- (2) Includes Mr. Richard Qiangdong Liu (劉強東)'s entitlement to receive up to 49,593,354 shares in JD Logistics pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options.

Other Information (Continued)

- (3) Jingdong Technology Group Corporation, which holds 4,192,271,100 shares in JD Logistics, is wholly-owned by JD.com. As of June 30, 2024, Mr. Richard Qiangdong Liu (劉強東) is interested in approximately 71.5% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.
- (4) These interests comprise of 3,474,283,058 shares of CNLP directly held by JD Property which is owned as to 74.96% by JD.com as of June 30, 2024. As of June 30, 2024, Mr. Richard Qiangdong Liu (劉強東) is interested in approximately 71.5% of the voting rights in JD.com through shares capable of being exercised on resolutions in general meetings.
- (5) Represents 75,890 shares in JD.com directly held by Mr. Dingbo Xu (許定波). Ms. Ling Li (李玲) is the spouse of Mr. Dingbo Xu, she is deemed to be interested in the shares in JD.com in which Mr. Dingbo Xu is interested.
- (6) Represents 49,000 shares in JD Logistics directly held by Mr. Dingbo Xu (許定波). Ms. Ling Li (李玲) is the spouse of Mr. Dingbo Xu, she is deemed to be interested in the shares in JD Logistics in which Mr. Dingbo Xu is interested.
- (7) (L) denotes a long position in the Shares.

Save as disclosed above, as at June 30, 2024, none of the Directors and chief executives of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

Other Information (Continued)

Substantial shareholders' interests and short positions in Shares and underlying Shares

As at June 30, 2024, the persons other than the Directors, whose interests have been disclosed in this interim report, had an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO, were as follows:

Name of Shareholder	Nature of interest	Number of Shares	Approximate % of holding ⁽²⁾
JD Jiankang ⁽¹⁾	Beneficial owner	2,149,253,732 ^(L)	67.39
JD.com ⁽¹⁾	Interest in controlled corporation	2,149,253,732 ^(L)	67.39

Notes:

- (1) JD Jiankang is wholly-owned by JD.com. Under the SFO, JD.com is deemed to be interested in and control the 2,149,253,732 Shares held by JD Jiankang.
- (2) The percentages are calculated on the basis of 3,189,465,111 Shares in issue as of June 30, 2024.
- (3) (L) denotes a long position in the Shares.

Save as disclosed herein, as at June 30, 2024, no person, other than the Directors whose interests are set out in this interim report, had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Share incentive schemes

The Company has three existing share incentive schemes, namely the Pre-IPO ESOP, the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme, which were all adopted before the effective date of the amendments to the Chapter 17 of the Listing Rules on January 1, 2023. The Company has complied and will continue to comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

4,421,362 new Shares, representing approximately 0.14% of the weighted average of issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules)), were issued or may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme.

Further details and relevant breakdowns of each of the share incentive schemes are set out below:

1. Pre-IPO ESOP

The Pre-IPO ESOP was approved and adopted by the Company on September 14, 2020, as amended from time to time. Summary of the Pre-IPO ESOP is set out in the section headed “Statutory and General Information — Share Incentive Plan” of Appendix IV to the Prospectus.

Details of the outstanding options granted under the Pre-IPO ESOP (to be satisfied by existing Shares) are as follows:

Name	Role	Date of grant	Vesting period ⁽¹⁾	Exercise price (per Share)	Outstanding as of January 1, 2024	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of June 30, 2024	Weighted average closing price of Shares immediately before the date of exercise during the Reporting Period (HKD)
Directors										
Enlin Jin (金恩林)	Executive Director and Chief Executive Officer	October 1, 2020	0 to 5.5 years	US\$0.0000005	156,401	61,983	—	—	94,418	29.51
Richard Qiangdong Liu (劉強東)	Non-executive Director and chairman of the Board	October 15, 2020	1 to 6 years	US\$0.0000005	26,521,259	—	—	—	26,521,259	N/A
Other grantees in aggregate		October 1, 2020	0 to 12.5 years	US\$0.0000005	11,384,612	829,112	—	6,779,820	3,775,680	29.76
Total					38,062,272	891,095	—	6,779,820	30,391,357	

Note:

- (1) The exercise period of the options granted under the Pre-IPO ESOP shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP and the share option award agreement signed by the grantee.

Other Information (Continued)

2. Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was adopted pursuant to the written resolutions of the Shareholders passed on November 23, 2020. Further details of the Post-IPO Share Option Scheme are set out in the section headed “Statutory and General Information — Share Incentive Plan” of Appendix IV to the Prospectus.

Maximum number of Shares available for grant

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other schemes is 312,708,211 Shares, being no more than 10% of the Shares in issue on the Listing Date (the “**Option Scheme Mandate Limit**”) (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and the shares to be issued under the Pre-IPO ESOP and grants under the Post-IPO Share Award Scheme). Options which have lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme (or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the Shares in issue from time to time (the “**Option Scheme Limit**”). No options may be granted under any schemes of our Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

No options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Post-IPO Share Option Scheme since its adoption and therefore, as of January 1, 2024 and June 30, 2024, the total number of Shares available for grant under the Post-IPO Share Option Scheme was 312,708,211 Shares and 312,708,211 Shares, respectively.

3. Post-IPO Share Award Scheme

The Post-IPO Share Award Scheme was adopted pursuant to the written resolutions of the Shareholders passed on November 23, 2020. Further details of the Post-IPO Share Award Scheme are set out in the section headed “Statutory and General Information — Share Incentive Plan” of Appendix IV to the Prospectus.

Maximum number of Award Shares (either to be satisfied by new Shares or existing Shares) available for grant

The aggregate number of Award Shares granted and to be granted under the Post-IPO Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 312,708,211 Shares without Shareholders’ approval (the “**Post-IPO Share Award Scheme Limit**”) subject to an annual limit of 3% of the total number of issued Shares at the relevant time.

As of January 1, 2024, 253,678,063 Award Shares were available for grant under the Post-IPO Share Award Scheme. During the Reporting Period, 4,941,036 Award Shares were granted to eligible participants pursuant to the Post-IPO Share Award Scheme. As of June 30, 2024, 250,089,110 Award Shares were available for grant under the Post-IPO Share Award Scheme.

Maximum number of new Shares available for issue

The total number of new Shares issued and may be issued pursuant to the Post-IPO Share Award Scheme will not exceed 312,708,211 Shares, representing 10% of the Company’s issued share capital upon listing (the “**Scheme Mandate**”).

As of January 1, 2024, 285,758,211 new Shares were available for issue under the Scheme Mandate. During the Reporting Period, 850,000 new Shares were issued pursuant to the Post-IPO Share Award Scheme. As of June 30, 2024, 284,908,211 new Shares (representing approximately 8.93% of the issued share capital of the Company as of the date of this report) were available for issue under the Scheme Mandate.

Other Information (Continued)

Details of the unvested Award Shares granted under the Post-IPO Share Award Scheme (to be satisfied by new Shares) are as follows:

Role	Date of grant	Vesting period	Purchase price	Unvested Award Shares as of January 1, 2024	Granted during the Reporting Period ⁽¹⁾	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested Award Shares as of June 30, 2024	Closing price of Shares immediately before the date of grant during the Reporting Period (HKD)	Fair value of Award Shares at the date of grant during the Reporting Period ⁽²⁾ (HKD)	Weighted average closing price of the Share immediately before the date of vesting during the Reporting Period (HKD)
Employee	January 1, 2021	1 to 6 years	Nil	60,600	—	15,150	—	24,240	21,210	N/A	N/A	39.10
Participants	April 1, 2021	0.8 to 6 years	Nil	31,091,286	—	7,810,140	1,899	132,843	23,146,404	N/A	N/A	38.96
	July 1, 2021	1 to 6 years	Nil	154,718	—	—	—	26,970	127,748	N/A	N/A	N/A
	October 1, 2021	0.3 to 5.3 years	Nil	746,112	—	(397)	397	67,458	678,654	N/A	N/A	39.10
	January 1, 2022	0.3 to 6 years	Nil	279,769	—	113,243	—	75,044	91,482	N/A	N/A	39.10
	April 1, 2022	1 to 4 years	Nil	748,583	—	253,876	—	40,550	454,157	N/A	N/A	27.70
	July 1, 2022	1 to 4 years	Nil	181,180	—	—	—	14,805	166,375	N/A	N/A	N/A
	October 1, 2022	1 to 4 years	Nil	682,662	—	—	—	24,652	658,010	N/A	N/A	N/A
	January 1, 2023	0.2 to 4 years	Nil	1,159,980	—	372,015	—	72,663	715,302	N/A	N/A	31.96
	April 1, 2023	0.3 to 4 years	Nil	938,685	—	189,422	290	32,852	716,121	N/A	N/A	27.70
	July 1, 2023	1 to 4 years	Nil	768,304	—	—	—	38,131	730,173	N/A	N/A	N/A
	October 1, 2023	0.8 to 4 years	Nil	2,260,496	—	—	—	265,633	1,994,863	N/A	N/A	N/A
	January 1, 2024	0 to 4 years	Nil	—	1,210,742	49,419	—	401,260	760,063	39.10	39.10	28.33
	April 1, 2024	1 to 4 years	Nil	—	3,210,620	—	—	101,290	3,109,330	27.70	27.70	N/A
Total				39,072,375	4,421,362	8,802,868	2,586	1,318,391	33,369,892			

Notes:

- (1) There was no performance target attached to the Award Shares granted during the Reporting Period.
- (2) The fair values of the Award Shares granted during the Reporting Period were determined based on the market value of the Shares at the respective grant dates.

Other Information (Continued)

Details of the unvested Award Shares granted under the Post-IPO Share Award Scheme (to be satisfied by existing Shares) are as follows:

Name	Role	Date of grant	Vesting period	Purchase price	Unvested Award Shares as of January 1, 2024	Granted during the Reporting Period ⁽¹⁾	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested Award Shares as of June 30, 2024	Closing price of Shares immediately before the date of grant	Fair value of Award Shares at the date of grant during the Reporting Period ⁽²⁾	Weighted average closing price of the Share immediately before the date of vesting during the Reporting Period
											during the Reporting Period (HKD)	(HKD)	(HKD)
Directors													
Enlin Jin (金恩林)	Executive	April 1, 2021	1 to 4 years	Nil	56,668	—	28,333	—	—	28,335	N/A	N/A	27.70
	Director and Chief Executive Officer	July 1, 2022	0.8 to 3.8 years	Nil	60,000	—	20,000	—	—	40,000	N/A	N/A	27.70
		July 1, 2023	1 to 4 years	Nil	80,000	—	—	—	—	80,000	N/A	N/A	N/A
		April 1, 2024	1 to 4 years	Nil	—	226,000	—	—	—	226,000	27.70	27.70	N/A
Ling Li (李玲)	Independent non-executive Director	November 27, 2023	1 to 3 years	Nil	21,496	—	—	—	—	21,496	N/A	N/A	N/A
Xingyao Chen (陳興堯)	Independent non-executive Director	November 27, 2023	1 to 3 years	Nil	21,496	—	—	—	—	21,496	N/A	N/A	N/A
Jiyu Zhang (張吉豫)	Independent non-executive Director	July 16, 2021	0.7 to 2.7 years	Nil	2,697	—	2,697	—	—	—	N/A	N/A	27.70
	Director	March 30, 2024	1 to 3 years	Nil	—	27,674	—	—	—	27,674	27.70	27.70	N/A
Ying Wu (吳鷹)	Independent non-executive Director	July 1, 2022	0.8 to 2.8 years	Nil	13,646	—	6,823	—	—	6,823	N/A	N/A	25.30

Other Information (Continued)

Name	Role	Date of grant	Vesting period	Purchase price	Unvested Award Shares as of January 1, 2024	Granted during the Reporting Period ⁽¹⁾	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested Award Shares as of June 30, 2024	Closing price of Shares immediately before the date of grant	Fair value of Award Shares at the date of grant during the Reporting Period ⁽²⁾	Weighted average closing price of the Share immediately before the date of vesting during the Reporting Period
											(HKD)	(HKD)	(HKD)
<i>Other grantees in aggregate</i>		April 1, 2021	0.8 to 5.8 years	Nil	73,334	—	30,833	—	—	42,501	N/A	N/A	29.86
		April 29, 2021	0.9 to 12.9 years	Nil	150,000	—	61,363	—	—	88,637	N/A	N/A	27.70
		May 1, 2021	0.9 to 5.9 years	Nil	41,474	—	10,368	—	31,106	—	N/A	N/A	27.70
		April 1, 2022	1 to 4 years	Nil	20,542	—	6,847	—	—	13,695	N/A	N/A	27.70
		July 1, 2022	0.8 to 11.8 years	Nil	179,993	—	35,000	—	—	144,993	N/A	N/A	27.70
		October 1, 2022	1 to 4 years	Nil	27,214	—	—	—	—	27,214	N/A	N/A	N/A
		April 1, 2023	1 to 4 years	Nil	67,400	—	16,850	—	—	50,550	N/A	N/A	27.70
		July 1, 2023	1 to 4 years	Nil	70,000	—	—	—	—	70,000	N/A	N/A	N/A
		October 1, 2023	1 to 4 years	Nil	8,118	—	—	—	—	8,118	N/A	N/A	N/A
	April 1, 2024	1 to 4 years	Nil	—	266,000	—	—	—	266,000	27.70	27.70	N/A	
Total					894,078	519,674	219,114	—	31,106	1,163,532			

Notes:

- (1) There was no performance target attached to the Award Shares granted during the Reporting Period.
- (2) The fair values of the Awards Shares granted during the Reporting Period were determined based on the market value of the Shares at the respective grant dates.

Use of net proceeds

With the Shares listed on the Hong Kong Stock Exchange on the Listing Date, 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 paid or payable, which will 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 utilization of the Net Proceeds as at June 30, 2024:

Purpose	Allocation of the unutilized Net Proceeds (RMB million)	Unutilized amount as at January 1, 2024 (RMB million)	Amount utilized in the six months ended June 30, 2024 (RMB million)	Unutilized amount as at June 30, 2024 (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	9,010	7,635	3,717	3,918
Potential investments and acquisitions or strategic alliances	2,911	2,911	—	2,911
Working capital needs and general corporate purpose	648	579	—	579
Total	12,569	11,125	3,717	7,408

Purchase, sale or redemption of the Company’s listed securities

During the six months ended June 30, 2024, 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 at June 30, 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

Other Information (Continued)

Compliance with the CG 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 the Shareholders. During the Reporting Period, the Company has complied with all the applicable code provisions as set out in the CG Code contained in Part 2 of Appendix C1 to the Listing Rules.

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

Compliance with the Model Code for securities transactions by Directors

The Company has adopted the Insider Trading Policy on terms no less exacting than those set out in the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the relevant employees' (including Directors) dealings in the securities of the Company. Having made specific enquiry with all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Insider Trading Policy during the Reporting Period.

Audit Committee

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our 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 this interim report and the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2024 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and Deloitte Touche Tohmatsu, the auditor of the Company.

Interim dividends

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2024.

Continuing connected transactions

Pursuant to the technology and traffic support services framework agreement entered into between the Company and JD.com on October 21, 2022 (the “**2023 Technology and Traffic Support Services Framework Agreement**”), the commission fees JD Group shall charge the Group shall be determined by the following formula:

$$\text{A fixed rate} \quad \times \quad \text{the value of the fulfilled orders of healthcare products and services generated through JD Group's online platforms}$$

The fixed rate JD Group shall charge the Group on the value of the fulfilled orders of healthcare products and services generated through JD Group's online platforms shall not exceed 3%.

During the Reporting Period, the actual transaction amounts under the 2023 Technology and Traffic Support Services Framework Agreement amounted to approximately RMB1,093.7 million.

For details, please refer to the announcement of the Company dated October 21, 2022.

Changes in information of Directors and chief executives

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors and chief executives since the last published annual report are set out below:

Professor George Lau (廖家傑) has been appointed as an independent non-executive Director with effect from August 15, 2024.

Save as disclosed above, there were no changes in information of the Directors and chief executives that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the last published annual report.

Important events after the Reporting Period

Save as disclosed in this interim report, there were no other significant events affecting the Company which occurred after June 30, 2024 and up to the date of this report.

Hong Kong, August 15, 2024

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



To the Board of Directors of JD Health International Inc.

(incorporated in Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of JD Health International Inc. (the “**Company**”), its subsidiaries and consolidated affiliated entities (collectively referred to as the “**Group**”) set out on pages 29 to 56, which comprise the condensed consolidated statement of financial position as of June 30, 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

August 15, 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended June 30,	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	4	28,343,961	27,110,336
Cost of revenue		(21,644,018)	(20,907,336)
Gross profit		6,699,943	6,203,000
Fulfillment expenses		(2,940,995)	(2,570,542)
Selling and marketing expenses		(1,404,267)	(1,194,914)
Research and development expenses		(645,015)	(616,863)
General and administrative expenses		(685,057)	(876,775)
Other income and gains, net		459,639	52,111
Finance income	5	989,512	936,455
Finance costs		(4,021)	(4,387)
Impairment losses under expected credit loss model, net of reversal		10,409	(64,662)
Share of results of associates and joint ventures		(40,806)	(32,197)
Profit before income tax	6	2,439,342	1,831,226
Income tax expense	7	(404,964)	(269,234)
Profit for the period		2,034,378	1,561,992
Profit/(Loss) for the period attributable to:			
Owners of the Company		2,037,182	1,561,358
Non-controlling interests		(2,804)	634
		2,034,378	1,561,992
		RMB	RMB
		(Unaudited)	(Unaudited)
Earnings per share			
Basic	8	0.65	0.50
Diluted	8	0.65	0.49

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	2,034,378	1,561,992
Other comprehensive income/(loss)		
<i>Item that may not be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation from functional currency to presentation currency	202,444	1,638,901
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(13,236)	(85,772)
Other comprehensive income for the period	189,208	1,553,129
Total comprehensive income for the period	2,223,586	3,115,121
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	2,226,390	3,114,487
Non-controlling interests	(2,804)	634
	2,223,586	3,115,121

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment		86,357	88,792
Right-of-use assets		193,087	199,204
Intangible assets		2,135,706	2,182,200
Investments in associates		3,429	3,412
Investments in joint ventures	9	305,057	345,055
Financial assets at fair value through profit or loss	10	1,125,381	1,115,916
Deferred tax assets		200,311	299,825
Prepayments, other receivables and other assets	11	8,201,457	12,204,005
Total non-current assets		12,250,785	16,438,409
Current assets			
Inventories	12	5,680,513	5,084,574
Trade and note receivables	13	352,551	347,962
Prepayments, other receivables and other assets	11	992,556	1,913,575
Financial assets at fair value through profit or loss	10	12,335,485	9,384,793
Term deposits		26,741,301	16,066,577
Restricted cash		22,499	15,377
Cash and cash equivalents		8,843,092	15,037,033
Total current assets		54,967,997	47,849,891
Total assets		67,218,782	64,288,300

Condensed Consolidated Statement of Financial Position (Continued)

	Notes	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	14	11	11
Treasury shares	14	(76,708)	(92,573)
Reserves		67,504,066	66,784,340
Accumulated losses		(15,298,844)	(17,336,026)
Equity attributable to owners of the Company		52,128,525	49,355,752
Non-controlling interests		11,708	14,512
Total equity		52,140,233	49,370,264
Liabilities			
Non-current liabilities			
Deferred tax liabilities		247,348	213,606
Lease liabilities		124,580	119,431
Total non-current liabilities		371,928	333,037
Current liabilities			
Trade payables	17	10,982,183	9,660,450
Income tax payables		225,647	337,543
Contract liabilities	4	468,224	405,604
Lease liabilities		93,126	95,323
Accrued expenses and other payables	18	2,937,441	4,086,079
Total current liabilities		14,706,621	14,584,999
Total liabilities		15,078,549	14,918,036
Total equity and liabilities		67,218,782	64,288,300

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								Non-controlling interests	Total
	Note	Treasury	Share	Contribution	Other	Accumulated	Sub-total	RMB'000		
		Share capital	shares	premium	reserve	reserve ¹				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As of January 1, 2023 (audited)	11	(34,297)	57,062,829	768,023	6,365,745	(19,382,063)	44,780,248	4,314	44,784,562	
Profit for the period	—	—	—	—	—	1,561,358	1,561,358	634	1,561,992	
Other comprehensive income for the period	—	—	—	—	1,553,129	—	1,553,129	—	1,553,129	
Total comprehensive income for the period	—	—	—	—	1,553,129	1,561,358	3,114,487	634	3,115,121	
Exercise of share options and vesting of restricted share units ("RSUs")	15	—	5,276	898,746	—	(904,022)	—	—	—	
Share-based payment expenses, surplus of tax effects	15	—	—	—	—	790,501	—	790,501	790,501	
Change of the capital from non-controlling interest shareholders	—	—	—	—	—	(5,219)	—	(5,219)	9,159	
As of June 30, 2023 (unaudited)	11	(29,021)	57,961,575	768,023	7,800,134	(17,820,705)	48,680,017	14,107	48,694,124	
As of January 1, 2024 (audited)	11	(92,573)	58,551,259	768,023	7,465,058	(17,336,026)	49,355,752	14,512	49,370,264	
Profit/(loss) for the period	—	—	—	—	—	2,037,182	2,037,182	(2,804)	2,034,378	
Other comprehensive income for the period	—	—	—	—	189,208	—	189,208	—	189,208	
Total comprehensive income/(loss) for the period	—	—	—	—	189,208	2,037,182	2,226,390	(2,804)	2,223,586	
Issuance of ordinary shares to Share Scheme Trust	—*	—*	—	—	—	—	—	—	—	
Exercise of share options and vesting of RSUs	15	—	15,865	898,994	—	(914,859)	—	—	—	
Share-based payment expenses, surplus of tax effects	15	—	—	—	—	546,383	—	546,383	546,383	
As of June 30, 2024 (unaudited)	11	(76,708)	59,450,253	768,023	7,285,790	(15,298,844)	52,128,525	11,708	52,140,233	

* less than RMB1,000.

- Other reserve consists of share-based payment expenses, surplus of tax effects, which are from the deemed contribution of JD.com, Inc. and share awards under the Company's share award schemes, exchange differences on foreign currency translation recognized in other comprehensive income/(loss), change of the capital from non-controlling interest shareholders and statutory reserve required by relevant laws of the People's Republic of China (the "PRC") applicable to the Company's PRC subsidiaries and consolidated affiliated entities.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
OPERATING ACTIVITIES		
Cash generated from operations	1,700,612	248,640
Income tax paid	(386,852)	(350,379)
Interest received	916,394	469,818
Net cash generated from operating activities	2,230,154	368,079
INVESTING ACTIVITIES		
Placement of restricted cash	(17,553)	(11,624)
Withdrawal of restricted cash	10,431	33,002
Placement of term deposits	(20,733,931)	(11,796,450)
Maturity of term deposits	15,009,087	8,081,090
Purchase of financial assets at fair value through profit or loss ("FVTPL")	(5,000,000)	(3,806,101)
Maturity of financial assets at FVTPL	2,372,766	1,000,000
Payments for financial assets at amortized cost	(1,066,255)	(699,820)
Maturity of financial assets at amortized cost	1,066,600	—
Payments for an investment in an associate	(825)	—
Purchases of property and equipment	(9,377)	(39,492)
Payments for right-of-use assets	(3,784)	(786)
Net cash used in investing activities	(8,372,841)	(7,240,181)
FINANCING ACTIVITIES		
Interest paid	(4,021)	(4,387)
Acquisition of partial interest of a subsidiary	—	(4,780)
Principal portion of lease payments	(17,772)	(9,354)
Net cash used in financing activities	(21,793)	(18,521)
Net decrease in cash and cash equivalents	(6,164,480)	(6,890,623)
Cash and cash equivalents at the beginning of the period	15,037,033	18,717,724
Effects of foreign exchange rate changes on cash and cash equivalents	(29,461)	68,665
Cash and cash equivalents at the end of the period	8,843,092	11,895,766

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information and basis of preparation

1.1 General information

The Company was incorporated in the Cayman Islands in November 2018 as an exempted company registered under the laws of the Cayman Islands, and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The Company acts as an investment holding company, its subsidiaries and consolidated affiliated entities (collectively the “**Group**”), engage 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.

JD Jiankang Limited is the immediate parent company of the Company and owned by JD.com, Inc., which is the Company’s ultimate parent company. JD.com, Inc., its subsidiaries and consolidated affiliated entities, excluding the Group, are collectively referred to as the “JD Group”. The addresses of the registered office and principal place of business of the Company are stated in the section “Corporate Information” of this interim report.

1.2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The condensed consolidated financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), as set out in the 2023 annual report of the Group released on April 26, 2024 (the “**2023 Annual Report**”).

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is different from the Company’s functional currency of United States dollars (“**USD**”). The management adopted RMB as the presentation currency as the management controls and maintains the performance and financial position of the Group based on RMB.

Notes to the Condensed Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

Other than additional/change in accounting policies resulting from application of amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2023.

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on January 1, 2024 for the preparation of the condensed 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 interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to IAS 21	<i>Lack of Exchangeability²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments³</i>
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards — Volume 11³</i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements⁴</i>

1. Effective for annual periods beginning on or after a date to be determined
2. Effective for annual periods beginning on or after January 1, 2025
3. Effective for annual periods beginning on or after January 1, 2026
4. Effective for annual periods beginning on or after January 1, 2027

3. Segment information

The Group's chief operating decision maker, who has been identified as the Chief Executive Officer (the "CEO"), reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and no other discrete financial information is provided to the CEO. Hence, the Group has only one reportable segment.

Notes to the Condensed Consolidated Financial Statements (Continued)

4. Revenue

(a) Disaggregation of revenue from contracts with customers

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Type of goods or services		
Product revenue:		
Sales of pharmaceutical and healthcare products	23,909,769	23,167,780
Service revenue:		
Marketplace, advertising and other services	4,434,192	3,942,556
	28,343,961	27,110,336
Timing of revenue recognition		
A point in time	28,099,650	26,861,902
Overtime	244,311	248,434
	28,343,961	27,110,336

(b) Contract liabilities

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Contract liabilities	468,224	405,604

The Group collected payments in advance from customers primarily for sales of pharmaceutical and healthcare products and marketplace service fees. The Group has recognized the above liabilities related to contracts with customers under "Contract liabilities" line item.

The directors of the Company expect that all of the contract liabilities as of June 30, 2024 will be recognized as revenue within one year (December 31, 2023: within one year). The Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts of the Group are within one year or less.

Notes to the Condensed Consolidated Financial Statements (Continued)

5. Finance income

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income ¹	989,512	936,455

1. Primarily consists of the interest income from bank balances, term deposits and wealth management products at amortized cost under other assets.

6. Profit before income tax

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cost of inventories sold	21,707,641	20,661,015
Expenses of logistics and warehousing services	2,031,921	1,697,436
Employee benefit expenses	1,158,634	1,295,313
Expenses of technology and traffic support services provided by JD Group	1,093,693	1,048,846
Expenses of promotion and advertising	680,999	504,410
Expenses of payment services	219,473	223,208
Depreciation of property and equipment, right-of-use assets and amortization of intangible assets	103,218	107,930
(Reversal of)/provision for impairment of inventories and advance to suppliers	(203,428)	179,571

7. Income tax expense

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax	274,956	313,509
Deferred tax	130,008	(44,275)
	404,964	269,234

Notes to the Condensed Consolidated Financial Statements (Continued)

8. Earnings per share

	Six months ended June 30,	
	2024 (Unaudited)	2023 (Unaudited)
Numerator		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share (RMB'000)	2,037,182	1,561,358
Denominator		
Weighted average number of ordinary shares for the purpose of basic earnings per share (thousand shares)	3,139,948	3,120,282
Add: effect of dilutive potential ordinary share: options and RSUs granted (thousand shares)	15,753	42,230
Weighted average number of ordinary shares for the purpose of diluted earnings per share (thousand shares)	3,155,701	3,162,512
Basic earnings per share attributable to owners of the Company (RMB per share)	0.65	0.50
Diluted earnings per share attributable to owners of the Company (RMB per share)	0.65	0.49

9. Investments in joint ventures

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Cost of investments in unlisted entities	682,745	682,745
Share of post-acquisition loss and other comprehensive loss	(377,688)	(337,690)
	305,057	345,055

Notes to the Condensed Consolidated Financial Statements (Continued)

10. Financial assets at FVTPL

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Non-current		
Wealth management products at FVTPL ¹	750,695	744,440
Equity investments in a listed entity	265,157	—
Equity investments in non-listed entities	109,529	371,476
	1,125,381	1,115,916
Current		
Wealth management products at FVTPL ¹	12,335,485	9,384,793
	13,460,866	10,500,709

1. Wealth management products at FVTPL purchased by the Group are issued by major and reputable commercial banks without guaranteed returns. The expected rates of return for such wealth management products at FVTPL held by the Group as of June 30, 2024 range from 1.92% to 5.55% per annum (December 31, 2023: 3.80% to 5.55% per annum). The Group managed and evaluated the performance of investments on a fair value basis in accordance with the Group's risk management and investment strategy. The major assumptions used in the valuation for wealth management products at FVTPL are set out in Note 19.

Notes to the Condensed Consolidated Financial Statements (Continued)

11. Prepayments, other receivables and other assets

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Non-current		
Wealth management products at amortized cost ¹	4,036,302	3,209,265
Term deposits ²	3,691,198	8,522,972
Prepayment for property and equipment	453,344	453,406
Amounts due from employees ³	11,132	16,167
Others	9,481	2,195
	8,201,457	12,204,005
Current		
Advance to suppliers	450,682	486,946
Amounts due from related parties	347,264	358,793
Recoverable value-added tax	114,230	236,766
Prepaid expense	24,412	16,351
Estimated return of products sold	20,377	16,375
Amounts due from employees ³	7,106	7,694
Wealth management products at amortized cost ¹	—	732,857
Others	28,485	57,793
	992,556	1,913,575
	9,194,013	14,117,580

1. Wealth management products at amortized costs purchased by the Group are issued by major and reputable commercial banks. The rates of return for such wealth management products at amortized cost held by the Group as of June 30, 2024 range from 5.48% to 6.12% per annum (December 31, 2023: range from 5.28% to 6.12% per annum).
2. Term deposits are bank deposits redeemable on maturity. The interest rates of the term deposits, including current and non-current portions, held by the Group as of as of June 30, 2024 range from 1.6% to 6.11% per annum (December 31, 2023: 3.45% to 6.11% per annum).
3. Mainly the first-home interest-free or low-interest loans provided by the Group to its employees.

Notes to the Condensed Consolidated Financial Statements (Continued)

12. Inventories

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Products	5,879,527	5,465,077
Less: impairment provision	(199,014)	(380,503)
	5,680,513	5,084,574

13. Trade and note receivables

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Trade receivables from third parties	486,021	528,454
Trade receivables from a related party	46,620	31,189
Note receivables	9,379	1,101
Less: allowance for expected credit loss ("ECL")	(189,469)	(212,782)
	352,551	347,962

The Group's trading terms with some of its customers are on credit. The Group primarily allows a credit period of 30 days. Trade receivables are settled in accordance with the terms of the respective contracts. Aging analysis of trade receivables from third parties based on invoice date is as follows:

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Within 3 months	284,085	303,507
3 to 6 months	22,855	45,741
6 to 12 months	56,902	40,271
Over 12 months	122,179	138,935
	486,021	528,454
Less: allowance for ECL	(189,469)	(212,782)
	296,552	315,672

Notes to the Condensed Consolidated Financial Statements (Continued)

13. Trade and note receivables (Continued)

The Group holds notes received for settlement of trade receivable. 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. The Group does not hold any collateral over these balances.

14. Share capital and treasury shares

Authorized

The Company had an authorized share capital of USD50,000, divided into 100,000,000 thousand authorized ordinary shares, with par value of USD0.0000005 each as of June 30, 2024 and December 31, 2023.

Issued and fully paid

	Number of ordinary shares '000	Share capital RMB'000	Treasury shares RMB'000
As of January 1, 2023 (audited)	3,179,915	11	(34,297)
Exercise of options and RSUs vesting	—	—	5,276
As of June 30, 2023 (unaudited)	3,179,915	11	(29,021)
As of January 1, 2024 (audited)	3,188,615	11	(92,573)
Issuance of ordinary shares to Share Scheme Trust ¹	850	—*	—*
Exercise of options and RSUs vesting	—	—	15,865
As of June 30, 2024 (unaudited)	3,189,465	11	(76,708)

* less than RMB1,000.

- During the six months ended June 30, 2024, 850 thousand ordinary shares with a par value of USD0.0000005 per share were issued to a trust (the "Share Scheme Trust"), which is the trustee holding the shares on trust for the benefit of the participants of the Post-IPO ESOP as defined in Note 15. As the Company has the control over the Share Scheme Trust, the shares held by the trustee were consolidated and presented as treasury shares in the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements (Continued)

15. Share-based payments

Share-based payments of RMB549.6 million in aggregate has been recognized during six months ended June 30, 2024 (six months ended June 30, 2023: RMB802.2 million), with expenses for RSUs of RMB543.6 million (six months ended June 30, 2023: RMB497.0 million) and the remaining for share options.

15.1 JD Group Share Incentive Plan

JD Group grants its share-based awards to the Group's eligible employees and non-employees, which are treated as deemed contribution from JD Group and recorded in other reserve in the Group's condensed consolidated financial statements. Under the JD Group Share Incentive Plan, the RSUs and share options are generally service-based and scheduled to be vested over two to ten years. One-second, one-third, one-fourth, one-fifth, one-sixth, or one-tenth of the awards, depending on different vesting schedules of JD Group Share Incentive Plan, shall be vested upon the end of the calendar year in which the awards were granted or the first anniversary dates of the grants, and the remaining of the awards shall be vested on straight line basis at the end of the remaining calendar or the anniversary years. Starting from the year ended December 31, 2016, certain awards had multiple tranches with tiered vesting commencement dates from 2016 to 2025, and each of the tranches is subject to a 6-year vesting schedule. Starting from the year ended December 31, 2021, certain granted RSUs are subject to vesting ratably over a 4-year vesting period from the grant dates.

The Group recognizes share-based payment expenses in its condensed consolidated statement of profit or loss based on awards ultimately expected to vest, after considering estimated forfeitures of the Group. The number of RSUs and share options granted expected to vest has been reduced to reflect historical experience of forfeiture of certain percentage of RSUs and share options granted prior to completion of vesting period and accordingly the share-based payment expenses have been adjusted.

Notes to the Condensed Consolidated Financial Statements (Continued)

15. Share-based payments (Continued)

15.1 JD Group Share Incentive Plan (Continued)

Details of the primary share incentive of JD Group Share Incentive Plan are as follows.

RSUs

A summary of activities of the service-based RSUs is presented as follows:

	Number of RSUs	Weighted average grant date fair value USD
Unvested as of January 1, 2023 (audited)	500,200	23.36
Granted	30,242	21.95
Transfer ¹	281,708	28.31
Vested	(193,564)	21.17
Forfeited or cancelled	(127,742)	27.49
Unvested as of June 30, 2023 (unaudited)	490,844	25.90
Unvested as of January 1, 2024 (audited)	426,544	24.21
Granted	83,838	13.70
Transfer ¹	50,642	27.25
Vested	(154,570)	22.11
Forfeited or cancelled	(146,366)	25.79
Unvested as of June 30, 2024 (unaudited)	260,088	21.77

1. The transfer represents the addition or deduction of RSUs that were previously granted to employees who transferred into or out of the business carried out by the Group during the reporting periods.

The estimated compensation cost of RSUs was based on the fair value of JD.com, Inc.'s ordinary shares on the date of the grant. The Group recognizes the compensation cost, net of estimated forfeitures, over the vesting term of the RSUs.

Notes to the Condensed Consolidated Financial Statements (Continued)

15. Share-based payments (Continued)

15.2 JD Health Share Incentive Plan

The Group grants share-based awards to eligible employees and non-employees pursuant to the JD Health Share Incentive Plan, which governs the terms of the awards. Under the JD Health Share Incentive Plan, the share options and RSUs are generally service-based and scheduled to be vested between one to ten years. All, one-second, one-third, one-fourth, one-fifth, one-sixth, or one-tenth of the awards, shall be vested upon agreed dates and the remaining of the awards shall be vested on straight line basis at the anniversary years. Starting from 2021, certain granted RSUs are subject to vesting ratably over a 4-year vesting period from the grant dates.

The Post-IPO ESOP commenced in November 2020 and is valid and effective for the period of ten years commencing on December 8, 2020. As of June 30, 2024, the total number of shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme is 312,708,211 shares (December 31, 2023: 312,708,211). As of June 30, 2024, the total number of shares which may be issued upon vest of all RSUs to be granted under the Post-IPO Share Awards Scheme is 250,089,110 shares (December 31, 2023: 253,678,063).

Share options

A summary of activities of the service-based share options is presented as follows:

	Number of share options	Weighted average exercise price USD	Weighted average remaining contractual term Year
Outstanding as of January 1, 2023 (audited)	51,836,945	0.0000005	7.8
Exercised	(1,826,892)	0.0000005	
Forfeited	(1,249,619)	0.0000005	
Outstanding as of June 30, 2023 (unaudited)	48,760,434	0.0000005	7.3
Outstanding as of January 1, 2024 (audited)	38,062,272	0.0000005	6.8
Exercised	(891,095)	0.0000005	
Forfeited	(6,779,820)	0.0000005	
Outstanding as of June 30, 2024 (unaudited)	30,391,357	0.0000005	6.3

The number of exercisable service-based share options as of June 30, 2024 was 841,453 (December 31, 2023: 685,151). The weighted average share price at the dates of exercise was HKD29.80 per share (six months ended at June 30, 2023: HKD59.61 per share).

Notes to the Condensed Consolidated Financial Statements (Continued)

15. Share-based payments (Continued)

15.2 JD Health Share Incentive Plan (Continued)

RSUs

A summary of activities of the service-based RSUs is presented as follows:

	Number of RSUs	Weighted average grant date fair value HKD
Unvested as of January 1, 2023 (audited)	46,245,420	107.63
Granted	2,609,676	65.62
Vested	(8,766,833)	110.53
Forfeited or cancelled	(1,311,187)	79.40
Unvested as of June 30, 2023 (unaudited)	38,777,076	105.10
Unvested as of January 1, 2024 (audited)	39,966,453	101.87
Granted	4,941,036	30.49
Vested	(9,021,982)	108.11
Forfeited or cancelled	(1,352,083)	57.51
Unvested as of June 30, 2024 (unaudited)	34,533,424	91.76

As of June 30, 2024, no share options and aggregated 96,213,728 RSUs were granted under the Post-IPO ESOP (December 31, 2023: no share option and aggregated 91,272,692 RSUs).

The fair values of the RSUs granted during the six months ended June 30, 2024 were determined based on the market value of the Company's shares at the respective grant dates.

16. Dividends

No dividend was paid or declared for ordinary shareholders of the Company for the six months ended June 30, 2024. The directors of the Company have determined that no dividend will be paid in respect of the current interim period (six months ended June 30, 2023: none).

Notes to the Condensed Consolidated Financial Statements (Continued)

17. Trade payables

Trade payables primarily consist of payables to suppliers.

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Trade payables	9,581,566	8,867,566
Trade payables under supplier financing arrangements*	1,400,617	792,884
	10,982,183	9,660,450

* Certain reputable financial institutions offer supply chain financing services to the Group's suppliers. Suppliers can sell one or more of the Group's payment obligations at their sole discretion to the financial institutions to receive funds ahead of time from the financial institutions to meet their cash flow needs. The Group's rights and obligations to suppliers are not impacted. The original payment terms, timing and amount of trade payables remain unchanged. In the condensed consolidated statement of cash flows, settlements of these payables are included within operating cash flows based on the nature of the arrangements.

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 June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Within 3 months	10,488,736	9,210,796
3 to 6 months	261,574	241,535
Over 6 months	231,873	208,119
	10,982,183	9,660,450

Notes to the Condensed Consolidated Financial Statements (Continued)

18. Accrued expenses and other payables

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Deposits received ¹	1,210,081	1,315,718
Amounts due to a related party (Note 20)	641,683	1,680,041
Advances from customers	393,760	375,623
Salary and welfare payables	180,540	229,828
Other tax payables	146,261	71,444
Accrued expenses	119,603	198,398
Liabilities for return allowances	19,634	15,983
Others	225,879	199,044
	2,937,441	4,086,079

1. Mainly represents the deposits received from third-party merchants from the online marketplace business.

19. Fair value measurement of financial instruments

Determination of fair value and fair value hierarchy

When determining the fair value measurement for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and key input(s) used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Condensed Consolidated Financial Statements (Continued)

19. Fair value measurement of financial instruments (Continued)

Determination of fair value and fair value hierarchy (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of June 30, 2024 (unaudited)				
Assets:				
Financial assets at FVTPL	265,157	13,086,180	109,529	13,460,866
As of June 30, 2023 (unaudited)				
Assets:				
Financial assets at FVTPL	—	4,656,420	556,084	5,212,504
Liabilities:				
Financial liabilities at FVTPL	—	—	154,446	154,446

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and key input(s) used).

Financial assets	Fair value as of		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)			
Equity investment in a listed entity	265,157	—	Level 1	Quoted prices in an active market	N/A
Wealth management products	13,086,180	10,129,233	Level 2	Cash flow discounted using the expected return based on observable market inputs	N/A
Equity investments in non-listed entities	109,529	371,476	Level 3	A combination of observable and unobservable inputs	Discount for lack of marketability; market multiples

19. Fair value measurement of financial instruments (Continued)**Determination of fair value and fair value hierarchy (Continued)****(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)**

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(b) Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL RMB'000	Financial liabilities at FVTPL RMB'000
As of January 1, 2023 (audited)	516,835	108,927
Addition	50,000	—
Changes in fair value		
— Fair value changes of equity investments in non-listed entities measured as financial assets at FVTPL	(2,170)	—
— Fair value changes of options	(8,581)	45,519
As of June 30, 2023 (unaudited)	556,084	154,446
As of January 1, 2024 (audited)	371,476	—
Addition	—	—
Changes in fair value		
— Fair value changes of equity investments in listed and non-listed entities measured as financial assets at FVTPL	(41,351)	—
Transfer out of Level 3 ¹	(220,596)	—
As of June 30, 2024 (unaudited)	109,529	—

1. During the six months ended June 30, 2024, an investee of an equity investment that had been classified in Level 3 using a combination of observable and unobservable inputs, became a listed entity. Therefore, the fair value of the investment was determined based on quoted prices in an active market and the investment was classified as Level 1 on the fair value hierarchy.

19. Fair value measurement of financial instruments (Continued)

Determination of fair value and fair value hierarchy (Continued)

(c) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The carrying amount of the Group's financial assets that are not measured at fair value on a recurring basis, including cash and cash equivalents, restricted cash, term deposits, trade and note receivables, other receivables and wealth management products at amortized cost under other assets, and the Group's financial liabilities that are not measured at fair value on a recurring basis, including trade payables, lease liabilities, accrued expenses and other payables, approximate their fair values.

20. Related party transactions

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the six months ended June 30, 2024.

Name of related parties	Relationship
JD.com, Inc.	The ultimate parent company of the Company
JD Jiankang Limited	The immediate parent company of the Company
JD Group	Controlled by JD.com, Inc.
Tangshan Hongci Healthcare Management Co., Ltd. and its subsidiary (" Tangshan Hongci ") ¹	A joint venture of the Company
Jingdong Technology Holding Co., Ltd. and its subsidiaries (" JD Technology ")	An associate of JD Group, and controlled by Mr. Richard Qiangdong Liu

1. The English name of Tangshan Hognci is translated from its registered Chinese name (唐山弘慈醫療管理有限公司) for identification only.

Notes to the Condensed Consolidated Financial Statements (Continued)

20. Related party transactions (Continued)

(b) Significant transactions with related parties

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. The Group's pricing policies of the transactions with related parties are determined on the basis of mutual negotiations between the relevant parties.

Details of significant transactions with related parties recorded with above terms and pricing policies during the six months ended June 30, 2024 are separately shown as follows:

	Notes	Six months ended June 30,	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Services and products provided to related parties:			
Marketing services provided to JD Group		987,616	807,155
Other services provided to JD Group		13,863	74,565
Products provided to Tangshan Hongci		26,151	46,821
Services provided to JD Technology		2,629	3,861
Services and products received from related parties:			
Logistics and warehousing services received from JD Group	1	2,004,939	1,664,690
Technology and traffic support services received from JD Group	2	1,093,693	1,048,846
Marketing services received from JD Group	3	618,632	457,495
Other services and share based payments received from JD Group	4	386,526	412,714
Services received from JD Technology	5	123,684	76,931
Other:			
Interest income from Tangshan Hongci		2,842	11,436

Services and products provided to related parties

The Group provides marketing services to JD Group. The Group charges JD Group marketing service fees calculated in accordance with the underlying standard marketing service agreement.

20. Related party transactions (Continued)

(b) Significant transactions with related parties (Continued)

Services and products received from related parties

1. JD Group provides various logistics services to the Group in exchange for service fees, including but not limited to warehouse operation and storage services, domestic and international delivery services, customs registration and clearance services, standard and special packaging services and other value-added logistics services from time to time. The logistics service fees are determined after arm's length negotiations and are charged based on a variety of factors including storage space taken and the weights and the delivery distances of the packages.
2. JD Group provides to the Group technology and traffic support services through its online platforms (e.g. www.jd.com). The technology and traffic support services primarily include user traffic support, branding activities, operational support and advertisement access for the Group's merchants and suppliers. JD Group charges commissions by applying a fixed rate on the fulfilled order volume of healthcare products and services generated through JD Group's online platforms.
3. JD Group provides marketing services to the Group. JD Group charges the Group marketing service fees calculated in accordance with the underlying standard marketing service agreements.
4. JD Group provides other services including but not limited to payment services through payment channels provided by third-party payment service providers and back-office administrative support services. JD Group also grants RSUs and share options to the Group's eligible employees under JD Group Share Incentive Plan.
5. The Group uses certain payment services and other shared services provided by JD Technology in accordance with the underlying standard payment services agreement and shared services agreement.

Notes to the Condensed Consolidated Financial Statements (Continued)

20. Related party transactions (Continued)

(c) Balances with the major related parties

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Amounts due to JD Group	641,683	1,680,041
Amounts due from Tangshan Hongci and its subsidiaries	353,173	334,900
Amounts due from other major related party(s)	40,711	55,082

The amounts due to JD Group are trade in nature, unsecured and non-interest bearing.

The amounts due from Tangshan Hongci and its subsidiaries are mainly from an interest-bearing loan. Other than that, the amounts due from Tangshan Hongci are trade in nature, unsecured and non-interest bearing.

The amounts due from other major related party(s) included in prepayments, other receivables and other assets are trade in nature, unsecured and non-interest bearing.

(d) Key management personnel compensation

The remuneration of directors and other key management personnel is as follows:

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Salaries and bonuses	2,070	2,011
Pension costs — defined contribution plans	73	51
Welfare, medical and other benefits	195	244
Share-based payments	148,237	220,208
	150,575	222,514

21. Events after the end of the reporting period

As disclosed in 2023 annual report published on April 26, 2024, the Group had entered into an agreement with the existing shareholder of Tangshan Hongci to acquire the remaining 51% equity interest in Tangshan Hongci (the “**Acquisition**”). Subsequent to June 30, 2024 and up to the approval date of these condensed consolidated financial statements by the board of directors on August 15, 2024, the Group terminated the Acquisition as certain relevant condition was not fulfilled.

DEFINITIONS

“ADSs”	American Depositary Shares (each representing two Class A ordinary shares) of JD.com
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“annual active user accounts”	user accounts that made at least one purchase during the past trailing twelve months ended on the applicable date, including through JD Pharmacy, online marketplace and omnichannel initiative
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Auditor”	Deloitte Touche Tohmatsu, the auditor of the Company
“Award Shares”	award shares, each representing a contingent right to receive one Share, which is awarded under the Post-IPO Share Award Scheme
“Board of Directors” or “Board”	our Board of Directors
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code set out in Part 2 of Appendix C1 (formerly Appendix 14) of the Listing Rules, as amended from time to time
“China”, or “the PRC”	the People’s Republic of China
“Class A ordinary share(s)”	Class A ordinary shares in the share capital of JD.com with par value of US\$0.00002 each, conferring a holder of a Class A ordinary share to one vote per share on any resolution tabled at JD.com’s general meeting
“Class B ordinary share(s)”	Class B ordinary shares in the share capital of JD.com with par value of US\$0.00002 each, conferring weighted voting rights in JD.com such that a holder of a Class B ordinary share is entitled to 20 votes per share on any resolution tabled at JD.com’s general meeting
“CNLP”	China Logistics Property Holdings Co., Ltd. (中國物流資產控股有限公司), an associated corporation of the Company that is also a subsidiary of JD.com (i.e. a fellow subsidiary)

Definitions (Continued)

“Company”, “our Company”, “the Company”, or “JD Health”	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
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely the Onshore Holdco and its respective subsidiaries
“Contractual Arrangement(s)”	the series of contractual arrangements entered into by and among WFOE, Onshore Holdco and the Registered Shareholders
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to JD Jiankang, JD.com, Mr. Richard Qiangdong Liu (劉強東), Max Smart Limited and Fortune Rising Holdings Limited
“Director(s)”	the director(s) of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the Consolidated Affiliated Entities from time to time
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRSs”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“JD.com”	JD.com, Inc., one of our Controlling Shareholders, a company incorporated in the BVI 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”
“JD Group”	JD.com and its subsidiaries and consolidated affiliated entities, excluding our Group

Definitions (Continued)

“JD Jiankang”	JD Jiankang Limited, a company incorporated in the BVI on April 24, 2019, wholly-owned by JD.com and one of our Controlling Shareholders
“JD Logistics”	JD Logistics, Inc., JD.com’s logistics business that provides integrated supply chain and logistics services to JD.com and third-party business partners across a wide range of industries, and the shares of which are listed on the Main Board (stock code: 2618)
“JD Share(s)”	Class A ordinary shares and Class B ordinary shares in the share capital of JD.com
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	December 8, 2020, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (formerly Appendix 10) of the Listing Rules
“Onshore Holdco”	Suqian Jingdong Tianning Jiankang Technology Co., Ltd. (宿遷京東天寧健康科技有限公司), a company established in the PRC on June 10, 2019 and our Consolidated Affiliated Entity
“Post-IPO Share Award Scheme”	the post-IPO share award scheme adopted by our Company on November 23, 2020
“Post-IPO Share Option Scheme”	the post-IPO share option scheme adopted by the Company on November 23, 2020
“Pre-IPO ESOP”	the pre-IPO employee share incentive plan adopted by our Company on September 14, 2020
“Prospectus”	the prospectus of the Company dated November 26, 2020

Definitions (Continued)

“Registered Shareholders”	the registered shareholders of the Onshore Holdco, namely Mr. Qin Miao (繆欽), Ms. Yayun Li (李姪雲) and Ms. Pang Zhang (張霽)
“Reporting Period”	six months ended June 30, 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.0000005 each
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“United States”, “U.S.” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars”, “U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. SEC”	the Securities and Exchange Commission of the United States
“WFOE”	Beijing Jingdong Jiankang Co., Ltd. (北京京東健康有限公司), a company established in the PRC on June 6, 2019 and a wholly-owned subsidiary of our Company
“%”	per cent

JDH 京东健康

首席健康管家

The Go-to Health Management Platform